



Evergreen Valley College



SAN JOSE-EVERGREEN COMMUNITY COLLEGE DISTRICT

MULTI COLLEGE RESOURCE ALLOCATION

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WHY REVIEW CURRENT MODEL?

- × Allocation model “check up”
- × Impact of move from state funding to “basic Aid” in 2012/13
- × Assure linkage between revenues and expenditures
- × Fiscal stability and accountability
- × Documentation and understanding (transparency)
- × “Development of a new District allocation model” was approved by the Board of Trustees as a budget Principle in 2016/17 budget planning
- × Self Study discussion around accreditation standards IID1 and IVD3

ALLOCATION PRINCIPLES

- Must be simple and easy to understand
- Must provide for financial stability
- Must provide for an appropriate level of reserves consistent with board policy and direction
- Must be responsive to the District/College's planning process and related goals and objectives
- Must provide means to address any current or future emphasis directed by the Governing Board
- Must promote efficient use of District resources

ALLOCATION PRINCIPLES (CONT'D)

- Must be flexible and allow for appropriate decisions to be made at the local level
- Must allow colleges to initiate, implement and be responsible for program and service initiatives
- Must provide for transparency of District Services and District Wide expenditures in support of college operations.
- Must match resources with service levels using objective standards or measures to assure equity

PLAIN TALK

- × Is the model easily understood?
- × Is the model “fair”

ALLOCATION FUNDAMENTALS

- × Regardless of allocation method used, the amount of revenue to be distributed is finite
- × Use sound and rational formula to distribute revenue to colleges
- × Need for consistent District and College Enrollment Management Plans (yes, even in basic aid district)
- × District Wide costs and cost of providing District Services shall be clearly identified and provided for in the model

ALLOCATION FUNDAMENTALS (CONT'D)

- × Allocation Model should: a) encourage colleges to maximize revenues and provide incentives to make effective use of those resources and b) provide incentives to improve student access and provide for quality improvement.
- × Required District reserve will be provided for in the model

TYPICAL ALLOCATION MODEL ISSUES

- × Work load measures
- × Timing of allocations to colleges
- × Ending balances
- × Reserves and deficits – accountability
 - + reserves
 - + Accountability for over spending
- × Allocation of new revenues
- × Long term planning
- × Collectively bargained compensation increases
- × Shifting of resources between colleges
- × Periodic review of the procedures
 - + 1 year after implementation
 - + 2-3 year review
- × 50% Law
- × Full Time faculty obligation (FON)

ACCREDITING COMMISSION STANDARD IID1

- × “Financial resources are sufficient to support student learning programs and services and improve institutional effectiveness. The distribution of resources supports the development, maintenance, allocation and reallocation, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability.”

ACCREDITATION COMMISSION STANDARD IVD3

The district/system provides fair distribution of resources that are adequate to support the effective operations of the colleges.

