



Explanation of the VCCCD Funding Allocation Model & Proposed Changes

Fiscal Planning Committee

September 27, 2011

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
FY12 ADOPTION BUDGET ALLOCATION**

	<u>Adoption</u>
FY12 Revenue	130,438,886
Use of Reserves	<u>551,463</u>
Adjusted Revenue	130,990,349
Less: District-wide	(6,083,637)
Less: Utilities	(4,325,413)
Less: District Office (6.64% revenue)	<u>(8,697,759)</u>
Available for Distribution	<u>111,883,540</u>

			<u>Moorpark</u>		<u>Oxnard</u>		<u>Ventura</u>		<u>Total</u>	
Class Schedule Delivery Allocation										
1) FTES (FY11 actual, includes NonResident)	[a]		12,135		4,969		11,019		28,123	
2) WSCH			182,025		74,535		165,285			
3) Productivity Factor		[a]	568		533		543			
4) FTEF			320		140		304			
5) FTEF adjustment			10		8		9			
6) less: Full Time positions (FTEF)	[b]	[b]	<u>(137)</u>	17,016,320	<u>(68)</u>	8,842,903	<u>(117)</u>	14,470,664	\$ 40,329,887	36.0%
7) =Hourly FTEF @	[c]	[c] \$ 43,209	193	<u>8,359,496</u>	80	<u>3,449,829</u>	196	<u>8,485,913</u>	\$ 20,295,239	18.1%
8) Total Class Schedule Delivery Allocation				\$ 25,375,816		\$ 12,292,732		\$ 22,956,577	\$ 60,625,125	54.2%
9) Base Allocation				\$ 5,594,177		\$ 5,594,177		\$ 5,594,177	\$ 16,782,531	15.0%
10) FTES (FY11 funded, includes growth FTES)		[d]	11,740		4,709		10,047		26,496	
			44.3%		17.8%		37.9%			
11) FTES Allocation				\$ 15,275,773		\$ 6,127,224		\$ 13,072,887	\$ 34,475,884	30.8%
12) Total Allocation FY12				<u>\$ 46,245,766</u>		<u>\$ 24,014,133</u>		<u>\$ 41,623,641</u>	<u>\$ 111,883,540</u>	100.0%
13) Campus FY11 Carryover		[e]		\$ 990,478		\$ 518,667		\$ 864,738	\$ 2,373,883	
14) FY12 Adoption Budget Allocation				\$ 47,236,244 ¹		\$ 24,532,800		\$ 42,488,379	\$ 114,257,423	

MC FY12 Budget

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
GENERAL FUND - UNRESTRICTED (Fund 111)
REVENUE PROJECTIONS - FY12**

ACCOUNT DESCRIPTION				RATE	2010-11 ADOPTION BUDGET	2010-11 ACTUALS	2011-12 ADOPTION BUDGET	Change FY11 Actual VS FY12 Adoption
BASIC ALLOCATION								
FY11=	2	Medium College @	\$	3,875,136	7,750,272	7,750,272		
	1	Small College @	\$	3,321,545	3,321,545	3,321,545		
FY12=	2	Medium College @	\$	3,875,136			7,750,272	
	1	Small College @	\$	3,321,545			3,321,545	
CREDIT FTES								
FY11=	25,362	FTES	@	\$ 4,565	115,774,873	115,773,820		
FY12=	26,083	FTES	@	\$ 4,565			119,062,370	
NON CREDIT FTES								
FY11=	479	FTES	@	\$ 2,745	1,314,725	1,314,711		
FY12=	414	FTES	@	\$ 2,745			1,135,918	
RESTORATION From FY11								
CREDIT	720	FTES	@	\$ 4,565		3,288,550		
NON CREDIT	(65)	FTES	@	\$ 2,745		(178,793)		
WORKLOAD REDUCTION From FY12								
CREDIT	(1,643)	FTES	@	\$ 4,565			(7,500,000)	
NON CREDIT	-	FTES	@	\$ 2,745				
TOTAL GENERAL APPORTIONMENT					128,161,415	131,270,106	123,770,106	(7,500,000)
CURRENT YEAR ADJUSTMENT (Deficit)					-	(696,251)	-	696,251
PRIOR YEAR ADJUSTMENT (Recalc)					-	142,350	-	(142,350)
PT FACULTY EQUITY COMP					556,000	555,595	556,000	405
ENROLL FEE WAIVERS (2%)					102,000	139,808	139,000	(808)
→ LOTTERY PROCEEDS					3,200,000	3,146,569	3,147,000 [b]	431
LOTTERY PROCEEDS PRIOR YEAR					-	51,750	-	(51,750)
PT FACULTY OFFICE HOURS					-	17,452	-	(17,452)
PT FACULTY HEALTH INS					-	6,894	-	(6,894)
→ INTEREST INCOME					750,000	699,756	700,000	244
→ ENROLL FEES - LOC SH (2%)					224,000	204,501	205,000	499
NONRES TUITION - INTL					670,000	635,328	610,000 [a]	(25,328)
NONRES TUITION - DOM					960,000	1,115,073	1,070,000 [a]	(45,073)
→ OTHER LOCAL REVENUE					298,000	241,780	241,780	-
TOTAL OTHER REVENUE					6,760,000	6,529,002	6,668,780	139,778
TOTAL GENERAL FUND UNRESTRICTED REV					134,921,415	137,799,107	130,438,886	(7,360,222)

FTES:

FY11 = 26,496 projected funded, 27,667 actual; 1,171 unfunded
FY12 = 24,853 projected funded

[a] Decrease in NonRes fees of \$6, from \$189 to \$183 per unit, assumes flat enrollment.

[b] 28,095 FTES (27,667 Resident & 428 Non Res) @ 112 per FTES. Lottery paid on actual FTES.

**Ventura County Community College District
Preliminary Revenue and Costs**

As of Aug 08, 2011									
New Revenue								FY 11-12 ✗	FY 12-13 ✗
COLA								-	-
FY11 Growth								3,109,757	-
June Budget -		6.2% reduction						(7,500,000) [a]	(7,500,000)
Reserve transfer								551,463	(551,463)
net \$313m (\$400 statewide cut; \$23k enrollment fee shortfall; less \$110k increase student fee)									
Total New Revenue \$								(3,838,780)	(8,051,463)
Costs									
Salary Increase									
(includes payroll driven, assumes no additional cost for Retiree Liability)									
Total Salary increase \$								-	-
Health & Welfare									
FY11 Blue Cross increase of 10.0%/ FY12 10% increase			Full Time Faculty					467,000	467,000
FY11 Blue Cross increase of 4.0%/FY12 increased to cap			Classified					394,000	92,000
			Managers					60,000	17,000
			Sups/Conf/Other					63,000	16,000
Total H&W \$								984,000	592,000
Step Increases									
(includes payroll driven, assumes no additional cost for Retiree Liability)									
(assumes no change to contract)									
			Faculty					441,000	441,000
			Classified					209,000	209,000
			Managers					116,000	116,000
			Sups/Conf					41,000	41,000
Total Step \$								807,000	807,000
Payroll Driven Increases									
FY12: from 10.7% to 10.9%/ FY13 to 13.57%			PERS					60,000	799,000
FY12 from .72% to 1.61%			Unemployment					753,000	800,000
Total Payroll Driven Increases \$								813,000	1,599,000
Retiree Liability						\$		1,700,000	-
FON required hires						\$		-	-
Utilities						\$		-	-
Total Costs \$								4,304,000 [b]	2,998,000
Total Difference \$								(8,142,780)	(11,049,463)
[a] Does not assume additional cuts due to mid-year state revenue shortfalls.									
[b] Does not include annual site increases, such as leases, etc.									

What is Proposed?

- Consistent with the “Matching” principle of Financial Accounting
 - separate “one time/variable” revenues from “on-going/”fixed” revenues
- Segregate the “one time/variable” revenues into one area of the district-wide allocations model
 - use for specific and defined purposes on campuses

What is Proposed?

- Use those revenues to address “Structural” Deficits in Total Cost of Ownership
 - Scheduled Maintenance & Capital Furniture
 - Library Materials and Databases
 - Instructional/Non-instructional Equipment
 - Technology Refresh
 - Other (research*, new program/process start-up, staff innovation, program accreditation)

* Non-sponsored research

What is Proposed?

- Apply a different set of revenue allocation bases to each category of need (defined previously under “structural deficits”)
 - Assigned Square Footage (ASF) of each campus
 - FTES on each campus
 - Number of computers
 - Equal shares
- Movement of revenue out of model is triggered by a set of “timed” criteria
 - Takes place gradually over next 1-8 years

How Would it Work?

- If Board approves for FY12
 - Net increase in General Fund revenue above budget (e.g., unbudgeted state mandated cost reimbursements) from:
 - prior year (FY11)
 - lottery (unrestricted)
 - Interest
 - local share of enrollment fees
 - Net difference between
 - budget and actual from District-wide Services budget
 - Utilities from the prior year (FY11)
 - Also, would apply if we received it
 - Growth/Restoration
 - COLA

How Would it Work?

- Net increase would go into a Special Fund(TBD)
- Distributed back out to each campus for
 - Scheduled Maintenance (ASF)
 - Library Materials & Databases (FTES)
 - Instructional & Non-instructional Equipment
 - Tech Refresh (# of computers in inventory)
 - Other (previously defined in slide #6) in equal shares
- Based upon
 - ASF, FTES, # of computers, equal share
 - Depending on category of need

How Would it Work?

- Dollars allocated
 - to fund various structural deficits would increase over time (2-8 years)
 - would be unavailable for allocation to District Reserves
- This plan does not take dollars away from the “District Allocation Model”
 - Just allocates them differently
- Eventual goals are
 - to separate variable dollars from “main” part of District Allocation Model
 - to provide an on-going revenue stream to fund Structural Deficits

Appendix: Computing FTES

- Funding rate for 1FTES = \$4,565 (credit); \$2,745 (non-credit)

- **Calculations**

FTES = number of actively enrolled students in each course, multiplied by number of weekly scheduled hours as of the census day, multiplied by a TLM(term-length multiplier) of 17.5 and divided by 525

Productivity Factor = One student enrolled in courses for 3 hours per day, 5 days per week for one academic year of 35 weeks

$$3 \times 5 \times 35 = 525$$

Appendix: Computing FTES

- VCCCD generally uses a figure of 1 section = 3.5 FTES or \$4,500
 - actual FTES vary from campus to campus based upon productivity