

## **Finance and Supporting Services**

### **A. Annual Budget**

#### **3110 Budget Allocation Model**

##### **Purpose of the Allocation Model**

To allocate all revenues received by the district to the centers: Chabot College, Las Positas College, Maintenance and Operations, and District Operations. This Model does not allocate additional funds to equalize the expenditure patterns of the four centers. Although it is recognized that all four centers have unique *expenditure* requirements, this model only allocates *revenues* to a center. It is the center's responsibility to determine its budget priorities within the revenues allocated.

##### **Role of the District Budget Study Group**

The District Budget Study Group (DBSG) shall consider and make recommendations to the Chancellor upon any matter that affects the district financially, specifically as related to this allocation model. If the DBSG and district management can reach agreement, procedures shall be administratively adopted and policy shall be presented to the Board of Trustees for approval. If the DBSG and district management cannot reach agreement on procedure or policy, then the two separate positions shall be presented to the Board of Trustees who shall decide the matter. The DBSG may collect information on financial matters pertaining to collective bargaining issues, but any decisions on such matters will be referred to the appropriate bargaining agents.

##### **Principles Governing the Allocation of Revenues**

1. To establish and maintain permanent and general district reserves and committed accounts/reserves.
2. To allocate all general apportionment revenues according to program-based funding criteria as adopted in the California Code of Regulations Title 5 under Chapter 9, subchapter 8, S#58700-58779, using the standard rate allocations for the four centers: Chabot College, Las Positas College, Maintenance and Operations, and the District Operations.
3. To allocate other revenue to the center which earned the revenue.
4. To allocate any other revenues based on consensus agreements.

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5. To allocate categorical funds according to the requirements of the particular categorical regulations.

### Rules Governing Budget Management

1. District Reserves and Committed Accounts/Reserves
  - a. **Level of Permanent and General District Reserves:**
    - 1) The DBSG and district management will recommend to the Board the level of permanent and general reserve with which to start the year. If the DBSG and district management cannot reach agreement, then the two separate positions shall be presented to the Board of Trustees, who shall decide the matter.
    - 2) The permanent and general reserves will serve as emergency backup funding for any "give-back" or emergency expenses not covered by committed accounts.
    - 3) At the beginning of each year the permanent and general reserves will be brought to their agreed upon levels.
  - b. **Committed Accounts/Reserves:**
    - 1) **Establishment:** The DBSG and district management will recommend to the Board the establishment, initial dollar amount, and termination date of committed accounts/reserves deemed necessary for protection against potential revenue give backs or other district contingencies. If the DBSG and district management cannot reach agreement, then the two separate positions shall be presented to the Board of Trustees, who shall decide the matter.

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- 2) **Review:** The DBSG and district management will occasionally review the committed accounts/reserves and recommend any changes deemed necessary.
  - a) Any committed account/reserve overages, by review or on its termination date, shall be allocated to the cost centers in the allocation proportion in use during the period the reserve was terminated, or as prescribed by law for categoricals.
  - b) In the event there is additional revenue in excess of a committed account/reserve, this additional revenue may be added to the permanent or general reserve or allocated to the centers through the district allocation model.
  - c) In the event any committed account/reserve is determined to have an underage, by review or on its termination date, the underage will be covered by removing the necessary funds from the permanent reserve.
- c. **Allocation of the General Apportionment Revenues (GAR) received each year shall be made in the following order:**
  - 1) Any adjustments necessary for the permanent or general reserves.
  - 2) Any adjustments necessary for committed accounts/reserves.
  - 3) Any other district contingency accounts agreed upon by the DBSG and district management, and adopted by the Board of Trustees.
  - 4) All remaining revenues are to be allocated through the district allocation model.

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2. Each center is responsible for the budgets allocated to it. Each center must balance its own budget and must not deficit spend. Surplus monies remain with the center which saved them.
3. Each center will follow the priorities based on the district and college planning documents in developing its budget.
4. The budget allocated to each center must fund all of the activities of that center.
5. Any new staff, including benefits, shall be funded within the budget of the center without a special additional allocation.
6. The allocations to the centers will be adjusted for revenue increases and decreases using the model.
7. Capital outlay projects are not part of the Allocation Model. However, the center's use of the project's result (new or remodeled building, etc.) will be supported by that center (see Item D).
8. Other revenues or allocations not specifically outlined in the model will be allocated by consensus and reported to the DBSG.
9. FTES targets for each college will be established by the Enrollment Management Committee, in consultation with the District Budget Study Group.
10. The allocation model will be reviewed annually by the DBSG.