

San Bernardino Community College District

Best Practice Attributes of a District Budget Model

January, 2010

Best Practice Attribute	Comments	Adopt? Yes/No
Transparent and easily understood.		
All revenue is accounted for and allocated.		
Promotes responsibility at the campus level and has accountability for maintaining balanced budget.		
Campuses that run deficit have to repay over time.		
Pub into Administrative Regulation, and reviewed annually.		
HR allocation is built into the same process as fiscal allocation.		
Provides funding formulas for increasing the number of faculty and staff in the colleges.		
Mechanism for distributing new funds is laid out in a detailed manner.		
Well developed guiding principles that are tied to the planning process of the colleges.		
Provides definitions so there is a common understanding of budget terminology.		
Identifies, defines, and allocates fixed costs independent of apportionment.		
Model is continuously reviewed by Allocation Committee.		
Defines assumptions and issues for further study and refinement; dynamic.		
Prior planning establishes timelines and communication process, defined principles, discussed concepts (reserves, standards, efficiency measures, high cost of programs, growth allocations, new positions).		
Easy to apply.		
Evaluated and assessed annually.		
Budget must reflect needs and available resources.		
When imbedded formulas don't work, alternative options must be available.		
Provides incentive for efficient operations through year-end savings.		
Utilizes prior year data and 3 year averages on data used for allocation process.		

Relatively simple.		
Similar to our model – not requiring significant change for our District.		
All FTES is funded in “on-going” allocation as opposed to a portion of FTES being funded as a “one time” allocation.		
Salary savings, with the exception of faculty salary savings, are allocated to the sites. Faculty salary savings are allocated to the District for their use.		

Guiding Principles from Models Reviewed

Guiding Principle	Adopt? Yes/No
Budget allocation model must be understandable, fair and predictable.	
All revenue earned by colleges shall be distributed to colleges less "assessments".	
Colleges are assessed for necessary district-wide costs, contingency reserve, and district office functions and services that are recognized as appropriate. Assessments shall be based on \$/FTES for credit, noncredit, and enhanced noncredit FTES.	
Budget allocation model must address the economy-of-scale issues for all colleges.	
Budget allocation model should lead colleges to maximize revenues through enrollment and management.	
Balances are retained by colleges and district office.	
Shall maintain standards of design, construction, and reconstruction of new facilities.	
Shall maintain standards in the use and application of technology.	
Shall develop long-term plans in education, construction, and fiscal resources.	
Resources allocated to maintain the viability and comprehensiveness of both colleges and their educational centers.	
Maximize access and services for students through efficient utilization of District resources.	
Responsive to the district/college's planning processes and related goals/objectives.	
Addresses current or future emphasis directed by the Governing Board.	
Balances the distribution across District-wide needs.	
Maintains conservative fiscal practices already in existence.	
Ensures that commitments are matched against the supporting resource.	
Board approved model guidelines.	
Maximize service to students.	
Provide flexibility yet hold cost centers accountable.	
Provide resources for growth and innovation	
Stimulate productivity.	
Provide quality and cost-effective central services.	
Encourage collegiality, teamwork, and cooperation among all cost centers.	
Provides the Chancellor and Board of Trustees with the best possible budgetary recommendations.	
Student focused orientation	

Collegiality	
Long range planning	
Empower of authority and accountability.	
Fiscal year boundaries (aligning commitments with ongoing revenue streams).	
Compliance	
Data determined decision-making (downstream financial impacts).	
The model must be objective-based, formula driven, readily understood, reasonably applied, flexible and responsive, widely communicated, adequately documented, and perceived as equitable.	
Budget principles (incremental approach, allocation by site, balanced budgets, maintains a minimum of a 5% reserve).	