

## **Peralta CCD Additions-Modification to BAM Model**

### **Facility, Maintenance and Operation Expenditure Planning**

Due to the State's economic environment and imposed budget reductions the District has had very little ongoing discretionary funding to support the operating needs for maintenance and operations. It is the intent and desire to begin to rebuild budgets within the unrestricted general fund that will support the ongoing maintenance needs of the entire district. This can only be accomplished as the District receives additional revenues and as those funds are identified through the planning and budget integration model (PBIM).

To begin to support this effort, no later than November 1<sup>st</sup> on an annual basis the Chancellor will announce a restricted allocation of one-time funds within the Unrestricted General Fund that will be used to support maintenance needs district-wide. Identified and prioritized projects and needs will be forwarded to the District facilities Committee (DFC) for their review and consideration. To the extent that there are one-time funds available and allocated by the Chancellor, the DFC will review all requests submitted for consideration and will forward to the PBC no later than December 1 its recommendations. The PBC will review and provide its recommendations to the Chancellor no later than February 1.

### **Restricted Lottery Language**

At its November 19, 2010 meeting, the PBC received a recommendation from the District Technology Committee recommending that the District create a line item for all library databases and that this be an ongoing yearly expense. Historically, these expenditures were paid for out of a state categorical program, TTIP, which was eliminated as part of the State's reductions in fiscal year 2009-10. The amended motion that was passed by the PBC was "The Planning and Budgeting Council recommends that the District create a line item for all library databases and that this be an ongoing yearly expense." Given the lack of Unrestricted General Fund dollars available, it was identified that the colleges had a significant amount of Proposition 20 funds available. Proposition 20 was passed by the voters in March 2000 that restricted allocations distributed to districts based upon FTES for "instructional materials and all other materials that are designed for use by pupils and their teachers as a learning resource and help pupils to acquire facts, skills, or opinions or to develop cognitive processes. Instructional materials may be printed or nonprinted, and may include textbooks, technology-based materials, other educational materials, and tests." In an effort to fund this ongoing need and given the lack of adequate resources within the Unrestricted General Fund, \$40,000 will be allocated to each college from the District's annual Prop 20 Restricted Lottery allocation. Any remaining funds will then be distributed to the colleges in proportion to their FTES.

## **Indirect Revenue**

Indirect costs are the recovery of actual costs incurred by the District and Colleges for items of common or joint objectives which cannot be readily identified to a specific grant or contract. These costs are real costs and include expenses to operate and maintain facilities, equipment and grounds, depreciation on equipment, utilities, general department administration, and sponsored projects administration.

Indirect costs are reimbursed on the basis of a maximum of the established indirect cost rate included. Although the District's federally negotiated indirect cost rate, as negotiated with the Department of Health and Human Services, is 40% many state and local grants have a maximum allowable indirect cost rate lower than this. Federal regulations govern the reported costs which form the basis of establishing the negotiated rate. They do not govern the use of indirect costs applied or charged to programs.

To the extent possible, the District will:

- Maximize the total indirect costs recovered
- Maximize the negotiated indirect cost rate
- Increase incentives for grant participation
- Increase incentives for improving the effective rate of indirect cost recovery
- Provide operating funds for programs operating on a cost reimbursement basis

Effective January 1, 2013 the application and use of all indirect costs recovered will be to use fund a grants coordinator positions (check with Trudy). The purpose and function of this position will be to assist the colleges and district office with the programmatic oversight, coordination, and administration of all of the District's grants and contracts. All remaining funds will be split equally between the Chancellor and the respective college president. Indirect costs recovered will be tracked and accounted for by grant and by college. Funds redistributed to the respective college presidents' will only be from grants awarded to that college.

## **Measure B – BAM Language**

Measure B was a special parcel tax measure approved by the voters on June 5, 2012. The approval provided the District with an annual parcel tax on all parcels located within the District's boundaries of \$48 per parcel per year for the duration of 8 years. It is anticipated that annual receipts will be approximately \$7.5 million. The funding is restricted in nature and can only be used for: maintaining core academic programs, such as Math, Science, and English; training students for successful careers; and preparing students to transfer to four-year universities.

All monies collected shall be accounted for separately (fund 12) and shall be expended only for those specified purposes above and allocated to the colleges in the manner consistent with the approved Budget Allocation Model (BAM). The monies collected will not be used to pay administrators' salaries or benefits nor will it be used to fund programs or purposes other than those listed above.

## **Revisions Proposed for BAM January 2012**

### **International Student Enrollment Fees**

International student enrollment fees are set by the Board of Trustees no later than February 1<sup>st</sup> of the preceding year. These enrollment fees are considered unrestricted revenues. Beginning with fiscal year 2012-13 it is the desire of the District to distinctly identify and allocate these fees to the colleges in which the international students are served. The allocation method used will be:

	Gross International Student Enrollment Fees
Less:	<u>Expenditures of the International Program (cost center 125)</u>
	Net International Student Enrollment Fees

College % of total District-wide international student FTES for the preceding fiscal year X Net International Student Enrollment Fees = College international student enrollment fee allocation.

### **Multi-year IT Expenditure Planning**

Due to the current economic environment the District has very little ongoing discretionary funding to support the evolving needs of IT planning. It is the intent and desire to provide flexibility and support to those colleges and central service offices that have multiyear planning mechanisms in place and that have set aside funding within their Unrestricted General Fund discretionary allocations to support these plans.

To support this effort, no later than November 1<sup>st</sup> on an annual basis the Chancellor will announce a restricted allocation of one-time funds within the Unrestricted General Fund that will be used as a dollar for dollar match to fund IT projects identified and partially funded. Identified and prioritized projects will be forwarded to the District Technology Committee (DTC) for their review and consideration. To the extent that there are one-time funds available and allocated by the Chancellor, the DTC will review all requests submitted for consideration of these matching funds and will forward to the PBC no later than January 1 its recommendations. The PBC will review and provide its recommendations to the Chancellor no later than February 1.

