

Budget and Planning Workshop

Where are we now, where are we going, and how do we get there?

March 6, 2018

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NORCO
COLLEGE

Where do we start?

- An understanding of the sources of revenue at Norco College
- How are our revenues derived?
- How we are utilizing our resources
- An understanding of how we utilize our resources compared to like California Community Colleges.
- Planning for growth. The investments we will need to make to support a larger and more programmatically diverse institution.
- The planning and budget Principles we will utilize to promote institutional growth and achieve the strategic vision.
- The planning and budget Strategies we will employ to advance the college.
- The opportunities and threats we need to consider in our planning.

Sources of Funding

- State Apportionments
 - General Funds
 - Lottery Funds
- Categorical Funding (Restricted by State)
 - Student Equity
 - SSSP
 - EOPS/CARE
 - Cal-Works/TANF
 - BFAP/SFAA
 - DSPS/DRC
 - Basic Skills
- Grants (Restricted)
- Foundation and Corporate Support (Typically Restricted)

Calculating Norco's Share of State Funding

- Distribution of Base Funding (Prop 98) to the District - \$5,071/ FTES
- Distribution of Base Funding beginning in 2018-2019 to a “Student Focused Funding Formula”:
 - 50% Based upon Full Time Equivalent Student (FTES) Enrollments
 - 25% Based upon students receiving Promise Grants/ Pell Grants
 - 25% Based upon short/ long term student success (i.e., degrees, certificates, awards and ADT's)
- Distribution of Funding to the Colleges (BAM):*
 - RCC – 53.8%
 - Norco – 23.1%
 - Moreno Valley – 23.1%

General Fund Budget – 2017-2018

Exhibit E
Riverside Community College District
Budget Allocation Model - Final Budget
FY 2017-2018

	<u>Total</u>					
Contingency Budget from FY 2016-2017	<u>\$ 11,987,323</u>					
Apportionment						
Basic Allocation	\$ 11,557,862					
Cr FTES (MVC - 6,832.72; NC - 6,832.72; RCC - 15,913.45 (29,578.89)	150,004,396					
COLA at 1.56%	2,523,866					
Base Increase + FT Faculty and FON Base Adjustments	4,471,129					
Growth at 0.22% (MVC - 15.25; NC - 15.25; RCC - 35.51 (66.01)	<u>340,033</u>					
Total Gross Apportionment	<u>\$ 168,897,286</u>					
Less, Property Taxes	(44,739,178)					
Less, Enrollment Fees	(10,339,132)					
Less, Estimated Deficit Factor (.0000)	<u>-</u>					
Total Net Apportionment	<u>\$ 113,818,976</u>					
Total Beginning Balance and Apportionment	<u>\$ 125,806,299</u>					
Less, Contingency Reserve (Board Policy at 5.00% or more)	(13,577,277)					
Less, DO Allocation	(5,352,116)					
Less, DSS Allocation	(18,292,386)					
Less, Outgoing Transfer for CSJCL (Resource 1120)	(165,541)					
Less, Outgoing Transfer for DSPS Match, FWS Support, etc.	<u>(1,034,575)</u>					
Total Funds for Per Credit FTES Calculation	<u>\$ 87,384,404</u>					
Target Credit FTES Target	29,644.90					
Total Funding Rate Per Target Credit FTES	<u>\$ 2,947.7045</u>					
		Moreno Valley	Norco	Riverside	DSS	DO
Total Funding Rate Per Target Credit FTES (Adjusted per Entity)	\$ 2,947.7045	\$ 3,035.7872	\$ 2,515.7306	\$ 3,094.8802		
Target Credit FTES Target	29,644.90	6,847.97	6,847.97	15,948.96		
Total Funds for Per Credit FTES Calculation	\$ 87,384,404	\$ 20,790,807	\$ 17,229,163	\$ 49,364,434		
FY 2016-17 Excess (Shortfall) of Budgeted Revenues	4,925,281	524,077	1,603,200	2,798,004	100,964	109,091
FY 2016-17 Excess (Shortfall) of Budgeted Expenditures	7,849,744	945,531	2,312,965	4,591,248	2,665,212	15,483,481
Non-Credit FTES	224,531	16,660	-	207,871	-	-
Federal Revenues	211,995	59,867	48,683	103,445	-	-
Other State Revenues	8,455,814	1,846,436	2,309,021	4,300,357	-	-
Local Revenues	61,342,870	13,256,985	13,724,984	34,360,901	191,633	-
Incoming Transfer from Bookstore (Resource 1110)	1,301,950	190,515	722,929	388,506	-	-
Total Available Funds	<u>\$ 171,696,589</u>	<u>\$ 37,630,878</u>	<u>\$ 37,950,945</u>	<u>\$ 96,114,766</u>	<u>\$ 2,957,809</u>	<u>\$ 15,592,572</u>
Base Expenditures for FY 2017-2018						
FY 2017-2018	(171,696,589)	(39,088,361)	(37,439,313)	(95,168,915)	(21,250,195)	(20,944,688)
Budget (Shortfall) or Excess	<u>\$ -</u>	<u>\$ (1,457,483)</u>	<u>\$ 511,632</u>	<u>\$ 945,851</u>	<u>\$ (18,292,386)</u>	<u>\$ (5,352,116)</u>

Norco College – BAM Allocation

General Fund Revenues

<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
30,688,815	34,550,354	37,950,945

General Fund Year - End Balances

General Fund Year End Balances

<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
537,788	815,665	2,312,965

Holding Accounts at January 31, 2018

see handout

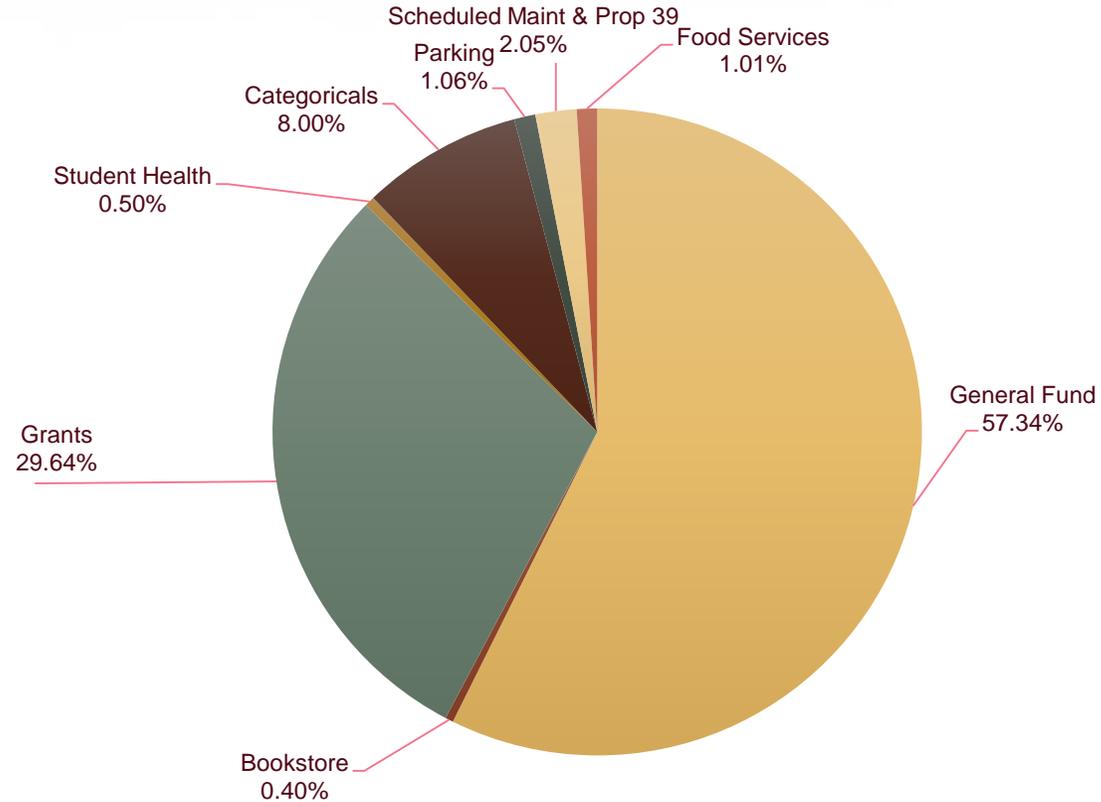
Funding Source	SPP/Re sc.	One Time, Annual, On Going	Carry Over?	Fund	Resc.	Description	Adopted Budget	Revised Budget	Rev/Exp Net of Abatements	Encumbrances	Uncommitted / Unrealized
Instructional Equipment	75	A	Y	12	1190	Restricted to Instructional Equipment	294,317	277,785	34,123.09	209,051.64	34,610.27
Salary Savings	991	OT	N	11	1000	Savings from Permanent Gen.Fund Staff Positions	-	158,780	-	-	158,780.00
Redevelopment Allocation	1180	A	Y	12	1180	Relatively Unrestricted	532,785	532,785	17,077.16	33,932.92	481,774.92
Non-Resident Capital Outlay	709	A	Y	12	1190	Restricted to Capital Purchases	186,752	186,752	1,219.18	-	185,532.82
Barnes & Noble Signing Bonus	728	OT	Y	11	1000	One-time Funding - Rolled over Year to Year - Earmarked for Marquee	149,026	149,026	-	-	149,026.00
Barnes & Noble Commission Transfer	566	A	Y	11	1000	Annual Commissions rec'd from B&N	656,454	656,454	63,019.51	7,493.07	585,941.42
Barnes & Noble Annual Donation	702	A	Y	11	1000	Annual Gift from B&N per Contract	1,781	1,781	-	-	1,781.00
Non-Resident Base Budget	729	A	Y	11	1000	Based on a Percentage of Non-Resident Fees rec'd	172,219	172,219	-	-	172,219.00
Budget Savings Distribution	738	OT	Y	11	1000	One-Time Allocation from Dist. Reserves in FY 17/18	1,674,750	1,674,750	43,469.31	103,169.44	1,528,111.25
Lottery - Restricted	735	A	N	12	1190	Restricted to Instructional & Library Materials including Instructional Software	648,842	648,842	130,036.25	69,640.91	449,164.84
Permanent Position Funding	997	OG	Y	11	1000	To/From Permanently Funded Positions	637,032	637,032	-	-	637,032.00
Contract Holding Account	999	OT	Y	11	1000	Adjusting Account to Address Permanent Increases in College Contracts	34,046	41,946	-	-	41,946.00
Classified/Management Position Allocation	998	A	N	11	1000	Allocation to fund add'l Classified/Mgmt. Positions	161,700	161,700	-	-	161,700.00
Indirect Expenditure Holding Account	797	OT	Y	11	1000	Indirect Cost Recovery (at 83%)	322,460	434,727	48,487.40	39,990.69	346,248.91
Veterans Resource Center	190	OT	Y	12	1190	State Appropriation - VRC and Articulation Platform	2,000,000	2,000,000	17,299.27	-	1,982,700.73
Academic Affairs Instructional Holding Acct.		OG	N	11	1000	Academic Affairs Holding (set up in FY 15/16)	79,679	45,109	-	-	45,109.00
Contingencies	5899										
VP, Business Services	EDB	OG	N	11	1000	Administrative Contingencies	35,929	23,421	-	-	23,421.00
VP, Academic Affairs	EJA	OG	N	11	1000	Administrative Contingencies	6,225	-	-	-	-
President	EMA	OG	N	11	1000	Administrative Contingencies	25,369	7,023	-	-	7,023.00
Dean of Instruction	EMB	OG	N	11	1000	Administrative Contingencies	1,000	1,000	-	7	1,000.00
VP, Student Services	EZA	OG	N	11	1000	Administrative Contingencies	22,249	8,889	-	-	8,889.00

Quick Facts (Fiscal Year Ending June 30, 2017)

- FTE Faculty/ Staff supported by General Funds (at 2/26/18)
174.39
- Percentage of General Funds devoted to Compensation –
89.56%
- Percentage of General Funds Devoted to Travel 0.20%
- 50% Law – 54.87% (reported district-wide)

Total Funds Available

FY 17-18 Norco College Revenue – All Resources



Grant Funding

Funding Agency	Grant Name	Annual Funding	Total Funding	RCCD FISCAL YEAR								
				2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
ED-Federal	Trio-Upward Bound-Corona	\$263,938	\$1,319,690				1	2	3	4	5	
ED-Federal	Trio-Upward Bound-Centennial	\$324,831	\$1,624,155				1	2	3	4	5	
ED-Federal	Trio-Upward Bound-Norte Vista	\$276,946	\$1,384,730				1	2	3	4	5	
ED-Federal	Trio-Student Support Services- Regular	\$231,103	\$1,155,515	1	2	3	4	5				
ED-Federal	Trio-Student Support Services-RISE	\$220,000	\$1,100,000	1	2	3	4	5				
ED-Federal	Title III-STEM2	\$1,200,000	\$6,000,000			1	2	3	4	5		
ED-Federal	Title V-Accelerated Pathways to Graduation & Transfer	\$525,000	\$2,625,000		1	2	3	4	5			
ED-Federal	Title V- Here to Career: Student Success in Digital Media	\$52,886	\$214,430			1	2	3	4	5		
NFS	National Center for Supply Chain Automation	\$799,899	\$3,999,495			1	2	3	4	5		
CCCCO	Pathway to Basic Skills Completion	\$448,272	\$1,343,604			1	2	3				
CA DoE	California Career Pathways Trust	\$6,350,845	\$12,860,892		1	2	3	4				
DOL-Federal	Trade Adjustment Assistance CC and Career Training	\$490,507	\$1,684,822	1	2	3	4					
CCCCO/ CA DoE	Adult Education Block Grant Regional Consortium	\$540,527	\$1,621,581		1	2	3					
Stuart Foundation	Foster Youth Support Services	\$30,000	\$60,000	1	2	3	12/30/2017					
CA Wellness Foundation	CTE Pathways for Foster Youth	\$41,666	\$83,333			1	2					
STATE-CCCCO	Foster Youth Innovation in Higher Education Grant	\$59,131	\$259,624				1	2	3	4		
College Futures Foundation	Completion Initiative	\$100,000	\$100,000			1	12/30/2017					
STATE-CCCCO	Prop 39 Clean Energy Workforce Program	\$81,000	\$81,000	1	2	3	4	5				
CCCCO	California Apprenticeship Initiative	\$250,000	\$500,000			1	2					
CCCCO	Fund for Student Success-JFK Middle College High School	\$100,000	\$300,000				1	2	3			
TOTALS		\$12,386,551	\$38,317,871									

Grant Funding – Quick Facts (Fiscal Year ending June 30, 2017)

- Percentage of Total Funds Available provided by Grants 37.64%
(Categorical and Grant Funded Programs)
- Number of Classified and Manager positions supported by Grants: 36.559 FTE (not including categoricals) (at 2/26/18)
- Number of Faculty/ Instructional positions supported by Grants 6.850 FTE (not including categoricals) (at 2/26/18)
- Percentage of Grant Funding supporting Travel: 2.53%
\$309,567

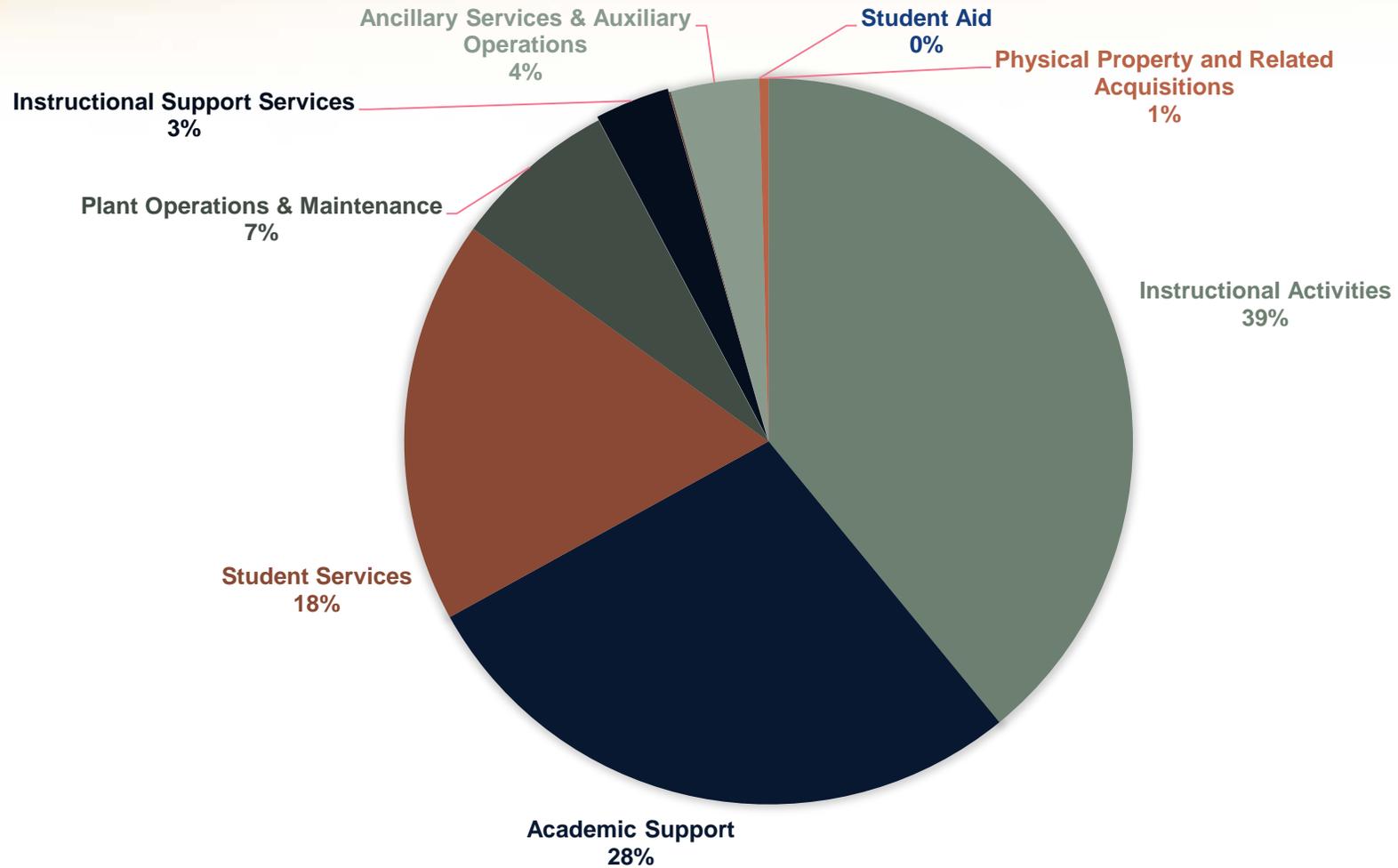
Expenses

July 1, 2016 to June 30, 2017

	All Resources coded to				
	Norco College				
	Total Full-Time Equivalent Students				6,977
	Salaries and Employee Benefits	Supplies, Material and Other Expenses and Services	Total USD (000s)	% of total	Per FTEs (000s)
Instructional Activities	\$ 16,994,148.95	\$ 810,105.72	\$ 17,804	39.08%	\$ 2.55
Academic Support	7,804,678.54	4,895,324.19	12,700	27.88%	\$ 1.82
Student Services	6,662,429.63	1,536,965.71	8,199	18.00%	\$ 1.18
Plant Operations & Maintenance	1,770,858.48	1,565,207.04	3,336	7.32%	\$ 0.48
Instructional Support Services	1,299,618.73	215,500.40	1,515	3.32%	\$ 0.22
Community Services & Economic Development	4,648.28	25,162.36	30	0.07%	\$ 0.00
Ancillary Services & Auxiliary Operations	1,252,516.49	536,305.50	1,789	3.92%	\$ 0.26
Student Aid	-	-	-	0.00%	\$ -
Physical Property and Related Acquisitions	-	185,661.60	186	0.41%	\$ 0.03
Unallocated Depreciation	-	-	-	0.00%	\$ -
	\$ 35,788,899.10	\$ 9,770,232.52	\$ 45,559	100.00%	\$ 6.53

Expenses

NORCO COLLEGE 2016-2017 FUNCTIONAL EXPENSES



How do we Compare ...

	 Norco College* 2016-2017			 Monterey Peninsula College 2016-2017			 Cuesta College 2016-2017			 MiraCosta College 2016-2017			 College of the Desert 2016-2017		
	Total Full-Time Equivalent Students		6,977	Total Full-Time Equivalent Students		6,855	Total Full-Time Equivalent Students		7,128	Total Full-Time Equivalent Students		11,082	Total Full-Time Equivalent Students		9,121
	Total USD (000s)	% of Total	Per FTES (000s)	Total USD (000s)	% of Total	Per FTES (000s)	Total USD (000s)	% of Total	Per FTES (000s)	Total USD (000s)	% of Total	Per FTES (000s)	Total USD (000s)	% of Total	Per FTES (000s)
Instructional Activities	\$ 17,828	35.16%	\$ 2.56	\$ 25,063	36.20%	\$ 3.66	\$ 27,199	33.17%	\$ 3.82	\$ 54,502	36.55%	\$ 4.92	\$ 28,974	28.59%	\$ 3.18
Academic Support	\$ 17,720	34.94%	\$ 2.54	\$ 780	1.13%	\$ 0.11	\$ 3,854	4.70%	\$ 0.54	\$ 12,447	8.35%	\$ 1.12	\$ 11,481	11.33%	\$ 1.26
Student Services	\$ 8,224	16.22%	\$ 1.18	\$ 13,509	19.51%	\$ 1.97	\$ 9,902	12.08%	\$ 1.39	\$ 19,572	13.13%	\$ 1.77	\$ 8,761	8.64%	\$ 0.96
Plant Operations and Maintenance	\$ 3,364	6.63%	\$ 0.48	\$ 4,241	6.13%	\$ 0.62	\$ 5,373	6.55%	\$ 0.75	\$ 7,553	5.07%	\$ 0.68	\$ 5,166	5.10%	\$ 0.57
Instructional Support Services	\$ 1,515	2.99%	\$ 0.22	\$ 10,014	14.46%	\$ 1.46	\$ 12,320	15.03%	\$ 1.73	\$ 17,228	11.55%	\$ 1.55	\$ 8,937	8.82%	\$ 0.98
Community Services and Economic Development	\$ 29	0.06%	\$ 0.00	\$ -	0.00%	\$ -	\$ 1,011	1.23%	\$ 0.14	\$ 9,044	6.07%	\$ 0.82	\$ 1,339	1.32%	\$ 0.15
Ancillary Services and Auxilliary Operations	\$ 1,844	3.64%	\$ 0.26	\$ 2,806	4.05%	\$ 0.41	\$ 5,354	6.53%	\$ 0.75	\$ 5,477	3.67%	\$ 0.49	\$ 4,081	4.03%	\$ 0.45
Student Aid	-	-	-	\$ 8,004	11.56%	\$ 1.17	\$ 12,068	14.72%	\$ 1.69	\$ 19,765	13.26%	\$ 1.78	\$ 19,118	18.86%	\$ 2.10
Physical Property and Related Acquisitions	\$ 186	0.37%	\$ 0.03	\$ -	0.00%	\$ -	\$ 808	0.99%	\$ 0.11	\$ -	0.00%	\$ -	\$ 1,189	1.17%	\$ 0.13
Unallocated Depreciation	-	-	-	\$ 4,813	6.95%	\$ 0.70	\$ 4,106	5.01%	\$ 0.58	\$ 3,515	2.36%	\$ 0.32	\$ 12,303	12.14%	\$ 1.35
Total	\$ 50,710	100.00%	\$ 7.27	\$ 69,230	100.00%	\$ 10.10	\$ 81,995	100.00%	\$ 11.50	\$ 149,103	100.00%	\$ 13.45	\$ 101,349	100.00%	\$ 11.11

All resources coded to Norco & 23.1% of District Office (general fund only)

- Budget Allocation is a Reflection of an Organizations Values
- Budget responsibility lies with those Responsible for Program Results.
- Strategically Focused Organizations Carefully align Resources with Institutional Priorities (i.e., Ed. Master Plan, Facilities Master Plan and Strategic Plan).
- Program Results are Regularly Compared to Established Key Performance Indicators (KPI's).
- No Deficit Budgeting/ Spending
- Maintain adequate Contingencies/ Reserves.

- Be clear about Strategic Goals and give Priority as Appropriate (Clarity with Strategic Goals makes room for yes, and no).
- Align Strategic Goals/ Initiatives with Specific Resource Allocations. (If there are too little resources, results will not be achieved.)
- Every Vacancy/ Unused Resource is a Decision Point.
- Reallocate to address Strategic Goals/ Initiatives.
- Review progress (KPI's) regularly and Recalibrate as Results Dictate.
- “Sweep” budgets each spring to advance Strategic Direction.
- Acknowledge the “cows” phase out the “dogs” and nurture the “hedgehog”.

Opportunities...

- Organizations are either advancing or in retreat - Norco's planning and initiatives suggest that we have an opportunity to realize a greater vision.
- We have unmet needs (Veterans, Dual Enrollment and Next Phase)
- We have entered a time at the District and at the College where Innovation and Creativity are Encouraged.
- Our work in the Guided Pathways will place a renewed focus on student success.
- The Inland Empire is among the fastest growing regions in the state.
- Broaden our grant consideration/ prospects consistent with our mission.

...and Challenges.

- The Budget Allocation Model (BAM) does not Encourage Innovation and Creativity at the College level.
- The Student-Centered Funding Formula will Challenge us to focus more Intentionally on Student Performance Measures.
- Few Districts in the State are growing.
- Increased Personnel and other Expenses will put Additional pressure on the budget if revenues stagnate.

How do We get there? Planning to become a larger Institution

- Keep the Main Thing the Main Thing – Student Success
- Plan for the future (i.e., Ed. Master Plan, Facilities Plan and Strategic Plan)
- Adopt an Organizational Model that is Scalable and Conducive to Growth
- Adopt a Proactive and Strategic Student Recruitment and Admissions plan
- Secure and Retain Talent
- Utilize Modeling to inform Planning. Refer to Internal and External Scans to inform Assumptions
- Develop multi-year Strategic and Funding plans that anticipate future needs
- Plan for a dedicated Development/ Advancement effort with appropriate staffing.

Library Acquisitions

2014 - 2015	2015 - 2016	2016 - 2017
\$ 115,959	\$ 143,165	\$ 165,637

Questions to Consider...

- What opportunities do you see for financing the institutions ability to advance its strategic plan?
- What do we need to start doing with respect to budget development and reporting as we seek to advance the institution?