



Presentation of Final Report to San Bernadino CCD February 13, 2014

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Focus of Contract

- Focus of this contract was to assess and recommend possible changes in three major areas:
 - The Resource Allocation Model (RAM)
 - The deficit spending trend at CHC
 - The long term planning to tie enrollment growth to facility growth

General Observations

- SBCCCD has done a good job establishing a solid fund balance and limiting long term debt exposure
- The district's Resource Allocation Model is similar to other multi college district's in its construction
- The mechanics of the model function as designed

General Observations (continued)

- The district has some identified guidelines to regulate performance of the model but they are limited and unofficial
- CHC is a small college and faces greater pressure from the impact of fixed costs on its available revenues
- The projected growth in facilities at CHC, absent a plan to grow FTES, will cause increased deficit spending over time
- The position control system is weak and can cause major budget problems if not strengthened. The county office of education's financial system limits the analysis and timeliness of district financial information



Framework for an Ideal Resource Allocation Model

- It is perceived to be fair
- It is easily understood and transparent
- It works in good times and bad times
- It provides the proper incentives
- It is flexible, responsive to changing dynamics
- It is linked to the Planning processes

Recommendations for Modifying the Resource Allocation Model

- Recommendations were grouped into the following categories:
 - Options to address the inefficiencies of small college operations
 - Options to determine the District Office allocation and how it might fluctuate
 - Clarification of how District Wide Assessments would be included in the model
 - Suggestions for drafting Operational Guidelines

Resource Utilization Review

- Focus was on CHC under the contract because of their recent history of deficit spending and their projected increase in deficit spending
- Reviewed CHC 5 year budget projections
- Compared CHC spending per FTES to SBVC spending per FTES
- Reviewed Full Time Faculty Obligation, classroom WSCH/FTEF; management size
- Compared CHC to similar size single college districts

Recommendations Related to Resource Utilization

- Improvements need to be made district wide related to position control, access to budget and spending data
- Adjustments could be made to FON
- More closely integrate planning and budget development, particularly related to new facilities planning
- Cost reductions through staff consolidation and vacancies to achieve savings on support costs

Recap of Selected Recommendations

	SBVC	CHC
2013-14 Expected Operating Results	\$766,627	-\$648,788
Recommendation A.3 Shift in base	-\$385,000	+\$385,000
Recommendation C.1 OPEB	+\$245,000	+\$105,000
Recommendation C.2 KVCR	+\$525,000	+\$225,000
Recommendation C.3 EDCT	+\$197,000	+\$85,000
Recommendation re:FON	None made	+\$400,000
Recommendation re:Admin Structure	None made	+\$250,000
Recommendation re:Classified positions	None made	+\$200,000
Recommendations re:centralized positions	+\$100,000	+\$100,000
Recommendations re:Foundations	+\$228,000	+\$125,000
Net Impact	+\$1,676,627	+\$1,226,212

Summary of Next Steps

- The district needs to review these recommendations for feasibility and scope of cost savings
 - Some may be rejected completely, some modified and others implemented
 - Other new ideas generated within the district may have a higher priority in order of implementation
- A prioritization and implementation plan needs to be developed which may span multiple years
- A continued focus on multi year fiscal planning within the district needs to be strengthened

Thank you

- We want to thank the Chancellor, Vice Chancellor, College Presidents and their staff for providing the data we requested and taking the time to meet with us
- We wish to compliment SBCCCD on its efforts to examine difficult options to make the district stronger for all of the students you serve.

Update on SBCCD Internal Review Process

1. Brain Trust Report Distributed District-wide
2. Distribute Cabinet Responses to Budget Committees & Board of Trustees
3. Special Meeting of District Budget Committee (DBC) scheduled for February 20th
4. Additional DBC reviews of CBT recommendations as needed in preparation for FY 2014-15 budget prep



Questions?