

DBSG Update

- ❖ ***DBSG Funding Model Guiding Principles***
- ❖ ***Summary of Proposed Models (Walthers)***
- ❖ ***Initial Thoughts/Analysis (Thompson)***

February 6, 2013

DBSG Funding Model: Guiding Principles

- Is it perceived to be fair?
- Is it easily understood?
- Does it work in good times and bad?
- Does it create the right incentives for performance?

Proposed Model One

CLPCCD DRAFT ALLOCATION MODEL ONE				
STEP 1		<u>CHABOT</u>		<u>LAS POSITAS</u>
FUNDED FTES (15,882 FOR 2012-2013)		9,360		6,526
RATIOS		58.92%		41.08%
STEP 2				
ALLOCATION REVENUES		\$82,470,204		
STEP 3A		<u>(\$9,084,244)</u>		
Contractual, Committed, Regulatory Costs				
STEP 3B (Step 2 less Step 3A)		\$73,385,960		
STEP 4				
DISTRICT OFFICE OPERATIONS		(\$8,110,149)	DIST RATIO	-11.05%
MAINTENANCE/OPERATIONS		<u>(\$6,248,322)</u>	MAINT RATIO	-8.51%
STEP 5 REMAINDER		\$59,027,489		-19.57%
STEP 6 TOTAL		(\$7,196,681)		
BALANCE FOR STEP 7		\$51,830,808		
		<u>CHABOT</u>		<u>LAS POSITAS</u>
STEP 6				
FOUNDATION ALLOC		\$3,875,136		\$3,321,545
STEP 7				
FTES RATIOS		<u>\$30,538,712</u>		<u>\$21,292,096</u>
FORMULA ALLOCATION		\$34,413,848	58.30%	\$24,613,641
ADJUST FOR DIFFERENCE		\$36,673		41.70%
CUR ALLOC BEFORE LOCAL		<u>\$35,780,837</u>		<u>\$23,283,325</u>
CHANGE				

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CUR ALLOC BEFORE LOCAL	<u>\$35,780,837</u>		<u>\$23,283,325</u>	
CHANGE	(\$1,330,316)		\$1,330,316	

Proposed Model Two

CLPCCD DRAFT ALLOCATION MODEL TWO				
STEP 1		<u>CHABOT</u>		<u>LAS POSITAS</u>
FUNDED FTES (15,882 FOR 2012-2013)		9,360		6,526
RATIOS		58.92%		41.08%
STEP 2				
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MAINTENANCE/OPERATIONS		<u>(\$6,248,322)</u>	MAINT RATIO	-8.51%
STEP 5 REMAINDER		\$59,027,489		
STEP 6 TOTAL (Remains in Total Allocation)		\$0		
BALANCE FOR STEP 7		\$59,027,489		
		<u>CHABOT</u>		<u>LAS POSITAS</u>
STEP 6				
FOUNDATION ALLOC		\$0		\$0
STEP 7				
FTES RATIOS		<u>\$34,778,997</u>		<u>\$24,248,492</u>
FORMULA ALLOCATION		\$34,778,997	58.92%	\$24,248,492
ADJUST FOR DIFFERENCE		\$36,673		
CUR ALLOC BEFORE LOCAL		<u>\$35,780,837</u>		<u>\$23,283,325</u>
CHANGE				

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CHANGE		(\$965,167)		\$965,167

Initial Thoughts/Analysis

- The LPC Planning Task Force and DBSG members support the Revenue Model Approach as the best reflection of the Guiding Principles
- Each model supports the LPC assertion that funding in the current allocation model underfunds operations by approximately \$1,000,000
- The LPC Planning Task Force supports the Model One approach as creating the best incentives for enrollment targets (use base Foundation Funding)

Initial Thoughts/Analysis

- Accepting the model is not the final step – other factors must be considered in developing a fair approach:
 - ▣ Chabot College subsidizes the LPC contribution to the FON. LPC is currently 12 full time faculty members short of meeting its calculated FON contribution
 - ▣ Some assessment must be completed in regard to the added net cost of the nursing program at Chabot College
 - ▣ Each version of the model still leave the two colleges a combined \$1.1 million short in total funding vs. expenses