

Subject: FW: BAM Recommendations

From the desk of Chancellor Burke:

I have reviewed the feedback received regarding the BAM Model Evaluation III recommendations and the following are the actions I plan to adopt regarding these recommendations. The recommendations that are accepted and require action will target implementation or completion of the review during the course of the 2017-18 fiscal year. This allow time for the backfilling of key DO administrative positions that will have direct input on the planning and implementation of these recommendations.

District Wide Budget Committee

Recommendation 1. Establishment of District wide Budget Committee. This recommendation is accepted and will be implemented effective July 1, 2017 to be utilized for the 2018-19 budget Development process.

Recommendation 2. Unit Plan Review. This recommendation is partially accepted. A process for review and comment by District wide budget committee will be established effective July 1, 2017. The current process for the DO to update its annual unit plans will continue status quo.

Growth Allocations: Recommendation of no change accepted

Cost Drivers for DO Chargeback mechanism: I am deferring action on this recommendation to evaluate the DO Chargeback mechanism. I would like to defer this for consideration in 2018-19. My primary reasons for deferring action is due to the need to focus on backfilling key positions at the District office and the likelihood that several DO departments will undergo operational reviews that could significantly change major process currently utilized. This could lead to differences in how chargeback mechanisms are developed. I will ask the District wide Budget Committee to aggrandize for further consideration and discussion in the Summer/Fall 2018 time frame.

Banked FTES Allocations: Recommendation of no change is accepted

Reserves: Recommendation of further study is accepted. This will be assigned to District/College Business Officers for further review and analysis in fiscal year 2017-18.

Stabilization Mechanism: Recommendation of a committee to conduct study of this issue is accepted. A separate Committee will be formed for further review and analysis in fiscal year 2017-18.

Finally, the next BAM review should coincide with the adoption of a new Statewide Allocation Model in which the review is currently underway. I anticipate a new model being adopted for the 2018-19 fiscal year.