

FREQUENTLY ASKED QUESTIONS ABOUT THE BUDGET

1. Is the State budget crisis real?

Yes. The most recent information about the state economy indicates that the shortfall for 2010-11 is expected to be approximately \$19 billion. This shortfall is affecting all public agencies, including Bakersfield College. The future of the state's economy remains uncertain.

2. FTES - What is it and why is it important?

FTES is Full-Time Equivalent Student. The state funds the college based on the number of full-time equivalent students enrolled at census date.

3. Why don't we just add more students/sections to get more money?

The state determines the maximum number of FTES it will fund. A limit (cap) is set by the state. Since our enrollments are currently beyond this cap, adding more students/sections will not increase dollars from the state.

4. Why can't we raise fees to help with the budget?

Student registration fees are set by the state legislature. Other fees such as materials or lab fees are constrained by the Education Code and Title 5. If the legislature were to raise fees, we would likely not see an increase in revenue. Past fees increases have not led to greater funding from FTES. The fee increases have been used to fill shortfalls in other areas of the state budget besides community colleges' funding.

5. What happens to the registration fee a student pays?

The state deducts all registration fees collected at the college from the state allocation for FTES. Other fees paid by students are earmarked for specific purposes.

6. Our fees went up; so why aren't we getting more money?

We don't actually get that money. See question 4.

7. Is the District Office making cuts, too?

Yes, all three colleges and the District Office must submit budgets to the Board of Trustees showing expenditures 10% less than the 2009-10 allocation.

8. Why is the District Office able to post and fill new positions when there are lay-offs at the colleges?

If the District Office has to cut 10% and it chooses to hire, the cuts must come from another place in its budget. Like the three colleges, the District Office has to meet a reduction target. Any new positions must fall within these limitations.

9. Why is Bakersfield College hiring at a time when we are facing lay-offs?

The college must maintain minimum staffing for maximum effectiveness. In addition, KCCD must by law maintain a minimum number of full-time faculty, referred to as the Faculty Obligation Number (FON). As faculty retire/resign, the total number of full-time faculty must be at or above the FON, or the district must pay a monetary penalty.

10. Would breaking up the District solve our budgetary problems?

No, not immediately. The dissolution process would be very costly. The legal costs and logistics of breaking up are extensive. Services like construction, grants, and information technology would have to be replicated by each college. For the short term, labor costs would significantly increase if each campus had to pay for the services which the district now provides. The process to dissolve is lengthy, taking up to ten years (or more).

11. What percentage of the athletics budget comes from fund-raising or other outside sources?

The last two years, our transportation costs have been picked up by the College. The non-labor percentage funded by the College is at 61%. Previously it was 37%.

12. Is the Bakersfield College Foundation self-supporting?

The Foundation is 85% self-supporting. The general fund provides 50% of the Executive Director's salary. The Executive Director reports to the College President and is responsible to the Foundation Board's Chair. The Executive Director also sits on the President's Cabinet.

13. What does the Foundation really do?

The Mission of the Bakersfield College Foundation is to expand access and opportunity for students of all ages, improve the quality and diversity of instructional offerings, support the professional development of an outstanding faculty and staff, purchase leading edge technology for classrooms and learning laboratories, and enhance College facilities to create an efficient and stimulating learning environment. The Foundation is a 501(c)3 non-profit corporation, and is responsible for coordinating and managing donations made to the College.

14. What will be the budgetary impact of the PhotoVoltaic field?

The PhotoVoltaic Field is termed 'budget neutral', meaning the cost of the project will be offset by the savings. As electrical rates increase, savings will increase creating both budget reduction and increased revenue as the power company pays for power not used to be put back on the grid.

15. What is the budgetary impact of the Thermal Energy Storage (TES) project?

The TES tank, located south of the Library, stores cold water used necessary to support the operation of the air conditioning during the day. Cooling occurs at night when electricity costs are lower. The project will pay for itself in seven years and create on-going savings for the life of the equipment.

16. How are Program Review and unit plans used in making budgeting decisions?

The President and other administrators review these documents in the decision-making process. Accreditation standards call for budget decisions to be linked to the academic planning process within each department's unit plan. The goal is for better integration of planning and budget.

17. Are we losing money by maintaining a center in Delano?

No, the operational costs continue to be lower than the expenses. The Delano Center reached its goal of 1,000 FTES to qualify for maximum annual base funding from the state of \$1 million as a college center.

18. Why don't we know how much money we're going to have for next year?

Since our budget is based on the state budget, we don't know until the state knows. The preliminary state budget is built in January. Tax revenue collected in April and other factors have an effect on any budget revisions, typically proposed in May. The state budget must be approved by the legislature; historically, it is often not finalized until fall. The following table illustrates the approximate timeline.

DATE	KCCD BUDGET DEVELOPMENT
JANUARY	PRELIMINARY STATE BUDGET ISSUED
FEBRUARY	COLLEGE & DISTRICT BUDGET DEVELOPMENT
MARCH	BUDGET DEVELOPMENT CONTINUES
APRIL	BUDGET DEVELOPMENT CONTINUES
MAY	STATE ISSUES MAY REVISED BUDGET
JUNE	KCCD BOARD ADOPTS TENTATIVE BUDGET
JULY	STATE ADOPTS FINAL BUDGET
AUGUST	
SEPTEMBER	
OCTOBER	FINAL BUDGET ADOPTED BY KCCD BOARD

19. Do the Board of Governors' fee waivers affect BC's budget?

No, the state pays full apportionment for students awarded Board of Governors' waivers.

20. What would the impact be if competitive Cal Grants are suspended?

Approximately 926 of our students are currently receiving competitive Cal Grants. Elimination of this program will reduce support for these students.

21. Can we solve the budget problem through grants?

No, grant money typically must be spent for specific purposes - usually on activities beyond existing activities.