

Bakersfield College Budget Committee
Report to Academic Senate
September 21, 2022

On September 12, 2022 the BC Budget Committee conducted a special meeting to discuss the KCCD Board Finance Committee's proposed change to BP 6200, Budget Preparation. The Board Finance Committee is recommending the following change:

Current language:

District-wide unrestricted general fund reserves shall be no less than fifteen percent (15%) and should not exceed twenty percent (20%) of the unrestricted district-wide expenditures.

Proposed Change:

District-wide unrestricted general fund reserves shall be no less than **twenty percent (20%)** and should not exceed **twenty-five percent (25%)** of the unrestricted district-wide expenditures.

At the Board Finance meeting, no statistical analysis was presented nor supportive justification, beyond potential recession, was given for the proposed increases.

The BC Budget Committee reviewed the process and data used by the KCCD District-Wide Budget Committee in establishing the current district-wide reserve minimum and maximum levels (District-Wide Budget Committee Reserves Recommendation, attached). Further, the committee reviewed statewide data of the current reserve levels of the 73 Community Colleges (Statewide Unrestricted GF Transactions, attached), a 10 year analysis of each of the 73 community colleges (KCCD Reserve Ranking, attached) and the 2022-23 KCCD District-Wide Unrestricted Reserves, Investments Proposal & Cashflow Analysis (2022-23 Unrestricted Reserve Analysis, attached).

The KCCD District-Wide Unrestricted Reserves, Investment Proposal & Cashflow Analysis illustrates a district-wide reserve of 44.6 million (22%). Collectively, including college reserves, KCCD will have a 101 million (approximately 49%) reserve level. According to the Statewide analysis, KCCD has been in the top 5 statewide for the percentage amount of its reserves for the past 8 of the 10 year analysis. When controlling for district size, less than or greater than 10,000 FTES, KCCD ranked in the top 3 for the past 8 years and would be listed first in the last two years.

The BC Budget Committee is scheduled to meet on September 26, 2022 to provide its recommendation to the BC Senate regarding the Board Finance Committee's proposed change.

- See ["Budget reserve language \(BP 6200+6250\)"](#) posted in Supporting Docs for current language and proposed language.
- See ["Reserves Recommendation Finance Committee"](#) posted in Supporting Docs for Districtwide Budget Committee's recommendation to the BOT Finance Committee.
- See ["How KCCD Reserve ranks statewide past 10 years"](#) posted in Supporting Docs
- Other supporting docs start next page

**Kern Community College District
District Wide Unrestricted Reserves, Investment Proposals & Cashflow Analysis (GU001 Fund Only)**

District Wide Unrestricted Reserves and Investment Proposals

	BC	CCC	PC	DW	Total
Reserves 22-23 Ending Balance - Tentative Budget	37,238,366	8,841,628	10,728,219	44,108,265	100,916,478
Released funds - Final State Budget Allocation	11,860,914	3,693,869	3,132,685	-	18,687,468
College Investment Plans	(984,723)	(585,199)	(399,114)	-	(1,969,037)
22/23 1% Off Schedule				(1,266,621)	(1,266,621)
Facilities Investment Proposal prework	(3,375,000)	(562,500)	(562,500)		(4,500,000)
New Program Growth and Innovation - Faculty	(2,250,000)	(375,000)	(450,000)		(3,075,000)
Benefit Adjustments and Compliance Positions	(1,514,000)	(260,000)	(226,000)	-	(2,000,000)
COP Pay Off (\$6.7M already budgeted)	(5,075,202)	(871,567)	(757,593)		(6,704,362)
Build up DW Reserves	(719,150)	(123,500)	(107,350)	950,000	-
Expected unallocated funds - Growth 21-22				800,000	800,000
Expected Reserves 22-23 Ending Balance after adjustments	35,181,205	9,757,731	11,358,347	44,591,644	100,888,926
Unrestricted Expenses (less one time expenses)	146,169,562	31,578,291	27,769,294	202,934,149	
Reserves as a % of Expenses	24.1%	30.9%	40.9%	22.0%	

Cashflow Analysis

Commitment of District-wide Reserves Cashflow	2023-24	2024-25	2025-26	2026-27	2027-28
Beginning Reserve Balance	44,591,644	43,114,906	41,638,168	40,161,430	39,349,792
SERP	(1,476,738)	(1,476,738)	(1,476,738)	(811,638)	-
	(1,476,738)	(1,476,738)	(1,476,738)	(811,638)	-
Cumulative Cashflow	43,114,906	41,638,168	40,161,430	39,349,792	39,349,792
% Districtwide Reserve level	21.2%	20.5%	19.8%	19.4%	19.4%

California Community Colleges Summary of Unrestricted General Fund Transactions Fiscal Year 2020-2021							Table III.2
District	Adjusted Beginning Balance	Revenue	Expenditures	Revenue Less Expenditures	Net Other In/Outgo	Net Ending Balance	NEB/ Expen ditures
ALLAN HANCOCK	15,904,825	68,813,355	61,410,962	7,402,393	(4,381,514)	18,925,704	30.8%
ANTELOPE VALLEY	26,052,659	84,236,904	71,483,533	12,753,371	416,133	39,222,163	54.9%
BARSTOW	7,308,357	25,447,710	19,782,706	5,665,004	(1,416,066)	11,557,295	58.4%
BUTTE	26,875,642	76,291,868	68,619,556	7,672,312	(600,857)	33,947,097	49.5%
CABRILLO	15,007,932	72,896,223	69,348,702	3,547,521	(1,189,135)	17,366,318	25.0%
CALBRIGHT	2,090,162	15,115,021	10,641,219	4,473,802	0	6,563,964	61.7%
CERRITOS	31,523,704	126,624,203	116,169,476	10,454,727	(179,379)	41,799,052	36.0%
CHABOT-LAS POSITAS	17,133,298	127,326,835	123,756,303	3,570,532	(2,890,989)	17,812,841	14.4%
CHAFFEEY	32,179,325	127,216,621	115,521,000	11,695,621	1,585,384	45,460,330	39.4%
CITRUS	33,557,251	85,057,643	76,240,529	8,817,114	(9,777,282)	32,597,083	42.8%
COAST	27,541,191	236,102,836	224,362,258	11,740,578	(3,505,941)	35,775,828	15.9%
COMPTON	15,912,217	45,733,257	37,975,134	7,758,123	(1,681,841)	21,988,499	57.9%
CONTRA COSTA	41,936,005	211,020,218	199,990,565	11,029,653	(655,757)	52,309,901	26.2%
COPPER MOUNTAIN	3,178,970	17,399,674	14,725,287	2,674,387	0	5,853,357	39.8%
DESERT	20,621,658	81,130,653	70,572,396	10,558,257	(7,508,872)	23,671,043	33.5%
EL CAMINO	39,071,841	150,396,132	126,308,712	24,087,420	(5,693,242)	57,466,019	45.5%
FEATHER RIVER	8,625,504	18,325,733	14,719,012	3,606,721	(1,174,385)	11,057,840	75.1%
FOOTHILL-DEANZA	47,236,283	199,703,525	192,972,847	6,730,678	(9,132,993)	44,833,968	23.2%
GAVILAN JOINT	1,076,365	38,833,261	32,271,225	6,562,036	(852,247)	6,786,154	21.0%
GLENDALE	6,076,707	112,060,707	114,385,461	(2,324,754)	4,455,422	8,207,375	7.2%
GROSSMONT-CUYAMACA	14,887,814	130,071,615	114,087,602	15,984,013	(9,617,310)	21,254,517	18.6%
HARTNELL	14,179,920	55,140,243	52,244,532	2,895,711	(2,895,619)	14,180,012	27.1%
IMPERIAL	14,329,175	59,104,048	48,145,810	10,958,238	(6,152,484)	19,134,929	39.7%
KERN	96,235,598	189,456,544	162,162,999	27,293,545	(6,940,490)	116,588,653	71.9%
LAKE TAHOE	2,840,702	18,364,038	16,672,915	1,691,123	(1,648,550)	2,883,275	17.3%
LASSEN	5,040,537	18,952,575	16,792,604	2,159,971	(26,750)	7,173,758	42.7%

LONG BEACH	39,184,203	144,884,682	135,761,480	9,123,202	(1,338,153)	46,969,252	34.6%
LOS ANGELES	140,932,394	707,839,215	686,244,681	21,594,534	(13,151,964)	149,374,964	21.8%
LOS RIOS	71,288,678	363,049,162	313,846,018	49,203,144	(7,506,598)	112,985,224	36.0%
MARIN	7,394,613	71,046,629	58,726,622	12,320,007	(4,243,812)	15,470,808	26.3%
MENDOCINO-LAKE	6,465,652	27,183,600	23,611,175	3,572,425	(511,537)	9,526,540	40.3%
MERCED	11,139,267	74,920,816	66,458,600	8,462,216	(6,617,443)	12,984,040	19.5%
MIRACOSTA	33,379,813	135,739,684	119,764,121	15,975,563	(14,254,136)	35,101,240	29.3%
MONTEREY	8,577,534	46,440,865	44,406,954	2,033,911	34,918	10,646,363	24.0%
MT. SAN ANTONIO	61,960,216	225,170,437	224,916,888	253,549	2,966,902	65,180,667	29.0%
MT. SAN JACINTO	38,643,110	93,302,726	77,290,662	16,012,064	(1,544,401)	53,110,773	68.7%
NAPA	3,619,018	41,957,320	42,206,482	(249,162)	108,252	3,478,108	8.2%
NORTH ORANGE	89,857,130	244,270,163	222,708,258	21,561,905	(4,651,191)	106,767,844	47.9%
OHLONE	12,842,447	59,192,392	58,050,945	1,141,447	6,102	13,989,996	24.1%
PALO VERDE	6,088,541	22,861,302	16,759,573	6,101,729	(3,136,678)	9,053,592	54.0%
PALOMAR	20,812,353	130,504,983	118,764,143	11,740,840	(3,977,377)	28,575,816	24.1%
PASADENA	31,006,437	176,635,097	157,078,250	19,556,847	(19,035,773)	31,527,511	20.1%
PERALTA	24,089,875	144,605,192	131,076,660	13,528,532	(11,671,122)	25,947,285	19.8%
RANCHO SANTIAGO	38,043,630	197,672,909	184,953,287	12,719,622	(4,393,184)	46,370,068	25.1%
REDWOODS	3,149,757	31,794,004	27,644,460	4,149,544	(2,509,901)	4,789,400	17.3%
RIO HONDO	23,184,732	88,422,132	86,323,322	2,098,810	(1,331,125)	23,952,417	27.7%
RIVERSIDE	42,015,240	231,315,424	218,024,280	13,291,144	1,959,302	57,265,686	26.3%
SAN BERNARDINO	15,597,374	115,276,544	101,686,878	13,589,666	(4,293,730)	24,893,310	24.5%
SAN DIEGO	18,559,590	284,132,894	277,224,989	6,907,905	(3,564,376)	21,903,119	7.9%
SAN FRANCISCO	9,116,334	162,935,923	164,424,335	(1,488,412)	9,246,588	16,874,510	10.3%
SAN JOAQUIN DELTA	20,878,100	110,259,626	99,073,521	11,186,105	(10,918,800)	21,145,405	21.3%
SAN JOSE-EVERGREEN	29,589,887	140,462,087	132,623,963	7,838,124	(2,581,537)	34,846,474	26.3%
SAN LUIS OBISPO	8,660,205	59,891,600	53,728,079	6,163,521	(171,479)	14,652,247	27.3%
SAN MATEO	55,723,193	208,838,765	181,491,252	27,347,513	(19,214,773)	63,855,933	35.2%
SANTA BARBARA	25,428,798	97,025,079	93,393,371	3,631,708	5,960,848	35,021,354	37.5%
SANTA CLARITA	11,387,010	113,834,067	112,306,877	1,527,190	(1,102,866)	11,811,334	10.5%
SANTA MONICA	21,339,089	179,578,128	182,164,793	(2,586,665)	16,731,326	35,483,750	19.5%

SEQUOIAS	22,189,674	79,041,375	67,086,728	11,954,647	(10,452,661)	23,691,660	35.3%
SHASTA-TEH-TRI	10,162,672	56,556,494	47,672,521	8,883,973	(1,361,609)	17,685,036	37.1%
SIERRA	20,321,698	108,191,626	92,368,139	15,823,487	(9,766,833)	26,378,352	28.6%
SISKIYOU	3,563,075	20,960,701	17,828,481	3,132,220	(296,269)	6,399,026	35.9%
SOLANO	17,299,942	60,680,342	51,181,211	9,499,131	(23,319)	26,775,754	52.3%
SONOMA	7,428,735	127,709,178	119,139,375	8,569,803	(326,691)	15,671,847	13.2%
SOUTH ORANGE	76,701,545	302,071,273	203,259,776	98,811,497	(90,534,516)	84,978,526	41.8%
SOUTHWESTERN	16,845,531	111,228,858	104,213,893	7,014,965	(867,668)	22,992,828	22.1%
STATE CENTER	73,065,354	250,004,200	195,986,165	54,018,035	(46,599,747)	80,483,642	41.1%
VENTURA	76,169,326	188,836,395	178,052,222	10,784,173	(16,817,272)	70,136,227	39.4%
VICTOR VALLEY	7,191,936	71,210,729	65,254,350	5,956,379	0	13,148,315	20.1%
WEST HILLS	11,492,457	53,443,447	32,965,219	20,478,228	(10,010,164)	21,960,521	66.6%
WEST KERN	11,398,595	32,654,443	25,101,646	7,552,797	(3,231,804)	15,719,588	62.6%
WEST VALLEY	59,127,795	161,881,327	133,048,229	28,833,098	(14,435,969)	73,524,924	55.3%
YOSEMITE	23,551,891	122,107,846	110,108,333	11,999,513	(2,517,321)	33,034,083	30.0%
YUBA	11,288,245	63,919,547	52,691,749	11,227,798	(4,662,340)	17,853,703	33.9%
Statewide	1,944,176,333	8,932,362,670	8,080,056,301	852,306,369	(388,076,665)	2,408,406,037	29.8%