

BUDGET COMMITTEE

February 25, 2019

4:00 p.m. to 5:00 p.m. in A-5

<https://committees.kccd.edu/bc/committee/budget>

MEETING MINUTES

Present: Mike Giacomini, Zav Dadabhoy, Liz Rozell, Steven Holmes, Nick Strobel, Kim Nickell, Somaly Boles, Gayle Richardson, John Gerhold, Angela Williams, Manny Mourtzanos, Jo Ellen Barnes, Lee Caldwell, Jonathan Madden,

Minutes

Steven Holmes made a motion, Nick Strobel seconded the motion to accept the October 2018 meeting minutes. The motion was passed.

Budget Development Timelines

Somaly Boles representing the Budget Office presented Kern Community College District's budget timeline of the annual budget development. Currently we are on track. The District wide budget team met February 22, 2019 and will meet in two weeks regarding District annual reviews.

It was recommended to insert in the District budget timeline document: 22 Feb 19: Districtwide Budget Committee review of District Office Tentative budget request and DAURs with DWBC as the responsible party. Next year it will be mid-February to mid-March DWBC reviewing DO budget requests.

Budget Decision Criteria

The last Bakersfield College Budget Decision Criteria document was formally approved in 2011 and has older language. In September 2018 a new draft was created with the intent of having further discussion in an unpressured timeframe. The Budget Committee agreed to review and wordsmith it by email and we will vote on it at a future meeting.

Website Budget Committee Video

The video made by our committee members was completed and uploaded onto the Budget Committee website. After viewing it, a typographical error was pointed out and will be corrected.

Program Review & The Budget Connection

Program Review & The Budget Connection – was reviewed and an invitation to make changes or additions was extended to the committee. There was discussion that some instructional areas have budget lines for equipment and maintenance, therefore Kim Nickell will wordsmith the document and bring it back to the budget committee at a future date.

District Wide Budget Committee Report

KCCD Board Finance Committee will be moving forward BP 3A1A6 with the following language:
District-wide unrestricted general fund reserves shall be no less than fifteen percent (15%) and should not exceed twenty percent (20%) of the total unrestricted district-wide expenditures. College budgeted reserves will not be considered as part of District- wide reserves. Each of the colleges shall maintain a minimum unrestricted general fund reserve of five percent (5%) of the total unrestricted college expenditure. These reserves will be established as unrestricted reserves for obligations and contingencies. Two changes were made to the proposal:

- 1) Verbiage changed from “shall not exceed twenty percent” to “should not exceed twenty percent” and
- 2) Recommend college reserves be a minimum of five (5%) instead of the recommended three (3%).

The expected tru-up from the newly implemented Student Center Funding Formula, expected on February 15, 2019 has been pushed back to the end of February. Early simulations of the formula indicated KCCD may see a windfall of as much as ten million dollars if simulations hold true.

The district office has shared their Annual Unit Reviews, as well as their request for new positions. Collectively, the district office is requesting nine new positions for an ongoing cost of approximately 1.5 million. There is concern that the 2019-2020 increase in revenue may not be able to support such an increase in D.O. labor. The Governor's proposed budget provides approximately a four (4.0%) increase for COLA/Growth. Currently this would generate an increase for KCCD of approximately 6 -6.5 million. An initial review of 2019-2020 expenditures which include thirty-one new positions to meet the FON obligation (approx. 3.1 million), increases for salary cost for all employee class (1.8 million last year), STRS/PERS increases (1.5 million last year), as well as increases in areas of OPEB ARC, Temporary faculty, Capital outlays, and collective bargaining and any new positions to be added at the colleges could exceed expected revenues without D.O. positions considered.

Missing Payroll Funds Update

A forensic report was requested and was told that the information has not cleared the Board and will be available after it has cleared with the Board.

Next meeting: March 25, 2019