

BUDGET COMMITTEE

October 25, 2021

4:00 p.m. to 5:00 p.m. virtual meeting

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

MEETING MINUTES

Present

Mike Giacomini, Teresa McAllister, Emmanuel Mourtzanos, Nick Strobel, Somaly Boles, Kimberly Nickell, John Gerhold, LeAnn Riley, Imelda Simos-Valdez, Steven Holmes, Kailani Henry and Jo Ellen Barnes

Agenda

John Gerhold made a motion: Steven Holmes seconded the motion to accept the October 2021 agenda. Motion passed.

Minutes

John Gerhold made a motion: Steven Holmes seconded the motion to accept the March 2021 meeting minutes. LeAnn Riley, Imelda Simos-Valdez and Kailani Henry abstained. Motion passed.

John Gerhold made a motion, Kimberly Nickell seconded the motion to accept the September 2021 meeting minutes. Mike Giacomini, Steven Holmes, Imelda Simos-Valdez and Kailani Henry abstained. Motion passed.

Group Picture

A group picture was taken at the meeting to be used on the Budget Committee Web Page.

Second Review of Committee Charge

Steven Holmes made a motion: Kimberly Nickell seconded the motion to accept the Committee Charge. Motion passed.

Second Review of the Budget Decision Criteria

This document was reviewed and there were one change. The first line of the Core Mission will read, "The budget decision will ensure the College will be able to offer a range of courses of sufficient breadth, modality and frequency." Steven Holmes made a motion to pass as amended: John Gerhold seconded the motion. Motion passed.

Budget Open Forum

The Budget Open Forum will coincide with President's Cabinet meeting on Monday 11/22/21. It is the week of thanksgiving and will replace our regular Budget Committee meeting. Jo Ellen will confirm the time of the Budget Open Forum.

21-22 Budget Update

An overview of the 21-22 budget starting from last spring included the following discussion points: During the process, we did not get COLA, the budget situation got a little better, we did receive some COLA but not as much as other CSUs or UCs but that was rectified. We ended up with a 13% increase in our budget and that put some money into the reserves. At that time we had negotiated board approved salary changes and made some adjustments.

In looking at the budget there were some higher level variances. In the 2000 account codes there was some back filling of some vacant positions due to COVID. Some 1000 account codes for faculty, 2000 account codes for classified staff: if the position did not exist, that budget and their benefits go into the 2999 account which is management. That is why that increase is so large. If we could do it

the way we like, the 1000s would be larger, the 2000s would be smaller and the 3000s would be larger.

The 4000 account code expenses were larger. We like to keep it flat, however the Inmate Scholars Program had a lot of costs. There were repairs in maintenance that had been put off and were not HEERF related.

The 5000s had a big increase. The Dual Enrollment program increases year after year. We have been under budgeting bad debt for a decade and we made a correction. We had some one time Maintenance non-HEERF funds that we needed to spend. The largest was BCSW contracted services in utilities, janitorial, landscaping and security monitoring services.

For the 6000 account codes, we had one time funding for non-HEERF computer replacement and for classrooms at BCSW. There was one time spending for BCSW furniture as well.

There was a slight increase in the District budget but it was not that significant. We did see an increase in our reserves. Part of that is we got more allocated than we had not spent. Part of that was catch up from prior years and some of it was from a roll over. It is not the R1 catch up but it was a rollover in that some positions were not filled and that rolls over into our reserves and not the District reserves.

We are in a really good position right now and the state of the college is strong.

There was discussion that Distance Ed funding has changed. A class is a class is a class and we should get the same accounting for that. We will increase our FTES in 20/21. We are going back and re-reporting because about half our classes were impacted with a 7.5% increase. When combined with our unaffected classes we are anticipating an increase of 3.5% for the prior year. However, we won't see any more funding because there is not any more money in the bucket because districts were held harmless. But it will help increase our rolling three year averages and we can adjust our internal allocation model. We have not seen what it looks like with the other two colleges.

There was discussion regarding how to collect bad debt. In the past if a student enrolled in twelve units and we report them during census the state paid us \$3,800.00 and some students did not pay their cost per units which is about \$750.00. There are a lot of people that owe under a \$100 which is a challenge to collect.

If a student has a federal loan, we are not responsible to collect it and it is not our bad debt. But it could affect our cohort to default rate which could affect our ability to get federal loans.

BC's bad debt has been running from \$700,000 to a million dollars.

There was clarification that BCSW will contract out for janitorial, monitoring, security, and landscaping.

HEERF Update

We are working on reconciliation processes. We received three tranches of HEERF funding, with at least 50% going to students which run through Financial Aid. There was money for some minority

serving institutions. There was a variety of qualified expenses related to COVID and for getting away from COVID to a certain degree. We have spent money in cleaning supplies, equipment to sanitize classrooms, masks and new sanitation for a variety of areas. We installed bipolar ionization units in all buildings. We received bids for bipolar ionization units for BCSW and are bidding out replacing HVAC systems since some of them do not put out as much air flow as desired. We are also looking at technology upgrades in classrooms so we have options for teaching environments and have greater resources for faculty. We are looking at improving outdoor spaces so we don't have students congregate indoors. We want to create some shaded areas, get trees, increase umbrella tables equipped with solar power and charging stations for students. We would like to create outside teaching environments. We are recovering lost revenues for College Safety and Food Services who did not have revenue coming in while the campus was closed.

SCFF (Student Centered Funding Formula) Review

Due to so many new managers, deans and directors and other important employees we thought it would be good to give an overview and focus in on what is SCFF. We wanted to share and encourage others on what we can do to implement it within our departments and into our everyday mentality. SCFF started because community colleges were not being driven with student success. We were only being funded with how many people attended classes. We wanted to align and focus on achievement using a three prong system.

Part 1 Base - which is enrollments (FTES) and basic allocation. It started with 70/20/10 split and was supposed to change over time, however it has been frozen a long time. Base allocation is FTES enrollment plus basic allocation which is a dollar amount because we need money to open the doors.

Part 2 - is a Supplemental for low income students which is an equity portion. This is at 20% system wide equity portion.

Part 3 - is Student Success which is a count of success outcomes and there can be premiums that can be added to that.

Part 1 Base Allocation (70%) BC is a \$4.7 million dollar college between 10,000 – 20,000 FTES in a multi-college district plus two State Approved Centers (Delano and Weill Institute) at \$1.35 million for a total of \$7.42 million for a basic allocation.

On top of that we get credit for FTES based on a three year average such as we receive \$4,009 per student for credit courses, \$3,381 per non-credit courses, \$5,622 per CDCP, \$5,622 per special admit and \$5,622 per incarcerated courses.

Part 2 Supplemental Allocation (20%) are students who qualify for Promise, BOG or AB540. We get \$948 for each student. Funding is based on the unduplicated head counts from the prior year, however, individual students may count in multiple areas.

Part 3 is Student Success Allocation (10%). The idea is that there are different success levels based on what the vision for success is and the vision for success is getting students transferred to a four year college which is the highest rate of \$2,236 per student. And if that student was a Promise student they would get an extra \$564. The other rates are based on looking out for our other

students such as Strong Workforce programs. These rates are stackable in that one certificate would count in one year and a degree would count in the next year. There are different ways to stack degrees and certificates that could be counted.

We want to operationalize for those who interact with students, from faculty, managers and staff and do a cognitive shift because this is all of our responsibility to be able to influence and improve the SCFF. As we interact with individuals we can ask students how many units they are taking, are you taking college level English and math, do you know where to get help. As we engage students when they drop in for help then we can find out their enrollment patterns.

We can influence financial aid benchmarks by asking students if they have applied for financial aid. We want all students to apply. In a few years, high schools will be required to apply for FAFSA as a requirement for high school graduation. Our staff and faculty should refer students to apply. Even if students may think they don't qualify there may be funds such as HEERF or other programs which may help students.

Student success and progression completion. We want to encourage students to try to take fifteen units per semester. We want them to complete and we want to help them maintain momentum. We are trying to mobilize teams on campus to integrate this kind of thinking and have these conversations.

There was encouragement to use standardized communications going out and make it part of the process so it is a routine. If the communications were put in Canvas comments as week 1 announcement, week 2 announcement then it would be easy for faculty to push that forward.

There was some discussion on when FTES reporting happens and it being adjustable during the year. It was stated that data goes into a 320 report. It used to be easier to track FTES when it was done by census. It is more challenging today to predict what will happen. We are doing a good job collecting and reporting data. Predictably we can look at long run trends. One of the questions is how do we anticipate changes? We can look at fairly consistent trends to help with some of these answers. Unless you use changes in trends then it will remain the same.

Standing Item: District Budget Committee Report

There was a meeting last Friday 10/29/21. Most of the time was spent in looking at the process and timeline for administrative unit reviews. We did look at new allocation model discussion and schedule but did not spend a lot of time on that subject.