

BUDGET COMMITTEE

January 22, 2024

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

<https://committees.bakersfieldcollege.edu/budget/index.html>

MEETING MINUTES

Present

Jo Ellen Barnes, Tim Bohan, Reggie Bolton, John Gerhold, Steven Holmes, Ian Mason, Erica Menchaca, Kyungjin Menjivar, Kimberly Nickell, Jacob Palmbalch, LeAnn Riley, Cristal Rios, Imelda Valdez, Angela Williams, Calvin Yu

Called to Order

At 4:03 p.m. the meeting was called to order.

Welcome

A welcome was extended to everyone. Calvin introduced the new Budget Committee website located at <https://committees.bakersfieldcollege.edu/budget/index.html>.

The new Budget Committee Co-Chair Ian Mason, CSEA President was introduced to the committee.

Agenda

Jo Ellen Barnes made a motion to accept the agenda as amended with Calvin Yu presenting the agenda and minutes; Tim Bohan seconded the motion to accept the agenda as amended. Motion passed.

Minutes

Reggie Bolton made a motion to accept the 10-23-23 minutes; Tim Bohan seconded the motion to accept the minutes. Motion passed.

Budget Meeting March

The regularly scheduled meeting in March is Monday 3/25/24 which is during spring break. The Budget Committee meeting was changed to Monday 3/18/24.

Budget Open Forum Debrief

The Budget Open Forum event was Monday 11/27/23 at 4:00 p.m. It was held as a hybrid meeting with webinar functionality as well as meeting face to face. An overview of the presentation was reviewed covering topics such as the adopted budget, categorical restrictive funding, 50% ratio, and the budget calendar. Additionally, budget reserves, registrations and the District Wide Budget Committee were discussed.

Calvin said we continue to grow, and this is tied to state allocations based on full-time enrolled students. There are jumps in the restricted budget. Covid affected the budget, HEERF funding, and general unrestricted funding. With growth comes more support and services.

About 80% of the budget is for salaries and benefits. The other 20% covers district office chargebacks, maintenance, rental facilities, buildings, utilities, and other items. Categorical adjustments last year had an 8.22% increase in most programs.

Calvin just attended a state level budget workshop where the Governor's budget was studied, and it appears that there will be no COLA and the budget will be flat for next year.

Related to what the state budget might look like, the Board of Trustees Finance Committee is considering budget scenarios that are flat, -5%, -10%, and -15%.

The budget calendar slide shows that the new budget will roll out in July. The budget calendar also indicates the 25/26 fiscal year and the steps taken every month to complete the budget. Examples are budget pieces were due last October, in November they were compiled, and in January they are reviewed by the executive team.

There was discussion regarding student growth and identifying duplicate students and dropping students that are not accurately registered and attending classes.

Intercollegiate & Co-Curricular Coding

The Faculty Obligation Number (FON) guideline generated from the State targets 75% of the faculty should be full-time. This is applied to the district and not just an individual school. The FON decreased from last year and there is a deficit factor of 5% for this year. Essentially, it was artificially deflated by 5%. The Chancellor has directed us to keep the staffing levels as they are now. In May there will be a revision to the Governor's budget, and we will know what the final FON number will be for KCCD.

The 50% law is an Ed Code that deals with payment of salaries for instructors be 50% of District's current educational expenses. This helps ensure that education is the priority for educational institutions.

There is a numerator and denominator in dealing with the 50% law. The numerator expenses include instructional salaries, benefits, and instructional aid salaries and benefits and instructional services agreements. Denominator expenses include non-instructional salaries & benefits, supplies and materials and other operating expenses. Additionally, there are exclusions used in this equation such as student transportation, rents, leases, lottery expenditures, new capital expenditures, non-instructional staff retiree benefits, instructional staff retiree benefits/retirement incentives and co-curricular expenses.

Co-curricular expenses are excluded which include coach salaries, maintenance of fields, intercollegiate club activities, instructional supplies & materials supported by lottery funds and College Safety officers for athletic event support.

The subject of how to figure percentages for athletics and for tenure track coaches was discussed. Another question on how Performing Arts may have co-curricular expenses was brought up for consideration. Calvin will research this information and share it with the committee members. Calvin and the Budget Office will obtain a District report and will bring the report to the next Budget Committee meeting to see how these items are defined.

Historical Distribution Breakdown

Between all divisions which includes expenses under the President, VP of Instruction, VP Student Affairs, and VP of Finance and Administrative Services and over the last couple of years, there has not been any significant changes in unrestricted funds. The year after Covid, Student Affairs did have a jump due to HEERF expenses, wrap around services, outreach, and retention work.

Calvin will research and bring a breakdown of classified salaries & benefits in relation to other salaries and benefits to the next Budget Committee meeting.

District Wide Budget Committee

There were two District Wide Budget Committee meetings in December. At the first meeting the following items were discussed: the District Office has increased their budget in recent years. It is still below the state average. The increase in the budget is in part due to escalating costs. They had an opportunity to look at District Office Administrative Unit Reviews (AUR). These AURs that were presented to committees made sense. An example is how Human Resources is upgrading positions and adding positions as required to fit the needs of the entire District. Business Services is upgrading the Director's position to Associate Vice Chancellor for Accounting Services, which is similar to a Controller position. The overall District Office budget is larger than Porterville College & Cerro Coso College. One expense added to the District Office budget was because the Early College program was moved to the District Office facility.

The second meeting in December reviewed a synopsis of the governor's proposed budget that will come Wednesday 1/10/24. The budget did come with a serious deficit. It is going to hit Prop 98 which requires 40% of the State budget go into education which would trickle down to the K-14 system which would trickle down to community colleges with a substantial decline in revenue. This committee spoke about what that would look like if it became a reality.

Community colleges are not limited by their reserves like the K-12 system. Currently, due to our reserves, KCCD can absorb, to a certain extent, cuts that will come through the State Chancellor's office next fiscal year.

There was a brief discussion concerning AURs. They were late this year and already slated to go to the Board in January as part of the Board's annual work study. The AURs are an analysis of the District services, what they are doing and their justifications of their budget and potential of future funding for employees or materials.

There was some discussion by other schools about how the AUR system played out this year. The AUR process is behind schedule this year. A timeline was created for the AUR process and followed for a few years. Then last year there were no AURs and this year they were late. This causes concern about how effectively the system can work if the timelines are not followed.

Adjourn

Jacob Palmalch made a motion to adjourn the meeting. Ian Mason seconded the motion to adjourn the meeting. Motion passed.