

BUDGET COMMITTEE

February 26, 2024

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

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

MEETING MINUTES DRAFT

Present

Calvin Yu, Steven Holmes, Ian Mason, Angela Williams, Cristal Rios, Erica Menchaca, Gilbert Ayuk, Imelda Valdez, Jo Ellen Barnes, Jessalyn Choate, Jessica Wojtysiak, John Gerhold, Kimberly Nickell, LeAnn Riley, Somaly Boles, Tim Bohan

Called to Order

At 4:01 p.m. the meeting was called to order.

Welcome

A welcome was extended to everyone.

Agenda

Steven Holmes made a motion to accept the agenda. Tim Bohan seconded the motion to accept the agenda. Motion passed.

Minutes

Jessica Wojtysiak made a motion to accept the 1-22-24 minutes; Angela Williams seconded the motion to accept the minutes. Motion passed.

50%: Exclusions, Student & Co-curricular Expenses

Overall exclusions are critical as we are trying to ensure that over 50% of our expenditures are for instruction. There was a review on how athletic expenses are coded: \$2,561,652 are coded as co-curricular, therefore are excluded. Athletic College Safety expenses are co-curricular coded at \$138,299 and are excluded expenses for the 50% law. \$680,531 of M&O's budget pertaining to athletics excludes expenses because they are coded as co-curricular. There is an extensive list of other co-curricular exclusions which include student travel, facilities, and capital planning.

Co-curricular expenses are configured District wide with a breakdown per college which includes the FON, academic salaries, classified salaries, and other expenditures. Take away the exclusions, including student travel and rental facilities which then equal our total instructional costs and acts as our numerator. When you adjust for excluded Lottery revenue, the District wide percentage of Instructional costs is 50.4%.

Bakersfield College's adopted budget is 61.52%, Cerro Coso is 48.73%, Porterville is 53.53% and the District office is .44%. Co-curricular expenses are not in the 50% formula. Those expenses are not part of the numerator or denominator which reduces the overall total.

There is more than one train of thought on how 50% law is carried between colleges. The other two colleges are smaller and have larger operational costs. In the past when Bakersfield College was over 60% there was a sense that we were carrying the extra load. The District Office does the 50% law calculation based on all sites put together.

Early College moved to the District Office and other colleges wondered how BC's people moving to the District office benefits the other colleges. BC looks at all the people they lost. The District Office budget increased 50% over the last three years. The recent moves to the District Office increased their budget and increased our chargebacks. Other positions that have moved from BC to elsewhere are Institutional Research, Institutional assessment, Norma Rojas, Early College, and their Ed advisors.

Classified Salaries

Classified Salary information was presented. We reviewed unrestricted funding, restricted funding, and education funding within the adopted budget and how each fund separately paid for faculty, management, and classified salaries.

New Budget Items

Some of Bakersfield College's new budget items are related to new sites. Arvin is opening this summer and will need new positions, furniture, and utilities. The Budget Office is developing a budget for Arvin. Recruitment is taking place now to be ready this summer.

There was a decision to consider renting all of BC Southwest campus. It is a three-story building, and we occupy part of the building with room for us to grow. The District Office could use more room. We could increase our footprint by 50% by increasing classroom capacity, offices for faculty and staff and student services.

BC Southwest needs a photocopier, and they were encouraged to put it in their Program Review. Manny Mourtzanos will be contacted to see if they can purchase this off cycle. Funding is available for critical needs.

Sonya Christian rents the third-floor corner of BCSW. Norma Rojas is located on the third floor. CREL will lease a larger classroom on the third floor and the District Office may be there also. We would have to give up instructional space in order to make room for these entities. Instructors were encouraged to plan to use three to four classrooms on the third floor in the fall. Faculty will get more office space, the Dry Lab will open, and a computer lab is wired on the third floor. Architecture has already moved to BC Southwest.

BC Southwest has not attained Center status because the state is not accepting applications currently. We already have a draft ready to present as soon as the application process is open. The Southwest center has over 1000 FTES. It will help us get 1.8 million as a center. District runs Mammoth & Arvin centers. Weil Center was grandfathered as a center and hosts Fire Tech, EMT, Public Safety and Nursing. SCFF based on apportionment and the District receives \$2 million for centers each year. Currently Weil Center, East Kern Center, Eastern Sierra Center, and Delano are KCCD Centers.

KCCD District Office Budget/Chargebacks

The District Office budget has been increasing over the years. We reviewed their budgets from 2012 through 2024. There was a recent historical \$10 million dollar increase which was due to the Early College Department which moved to the District Office. This move was not discussed with other campuses or with the District Wide Budget Committee. The purpose of the District Office is to

support the colleges. Our District Office's budget does run lean comparatively with other districts in the state. The fact that the budget increased 37.54% in 22/23 and did not go through a consultative process was an issue. This was discussed in the Chancellor's Cabinet and were asked to make the process transparent going forward.

Another topic discussed was how Administrative Unit Reviews were done for each of the departments and was not as transparent to others such as the District Wide Budget Committee. It was explained that these will be done better in the future.

It was discussed that three to four positions at the District Office were terminated and now these people are working at the State Chancellor's office, on some sort of leave or may be using an interjurisdictional agreement. Some positions are funded or partially funded by KCCD even though they are working for the State Chancellor's office. One position is going out for recruitment to replace one person who now works at the State Chancellor's office.

There was one District Wide Budget Committee meeting last semester and one meeting during finals week of the last semester. Currently, there are no meetings scheduled at this time, and Calvin will inquire about the date of the next meeting.

The percentage of chargebacks from the District Office to the colleges is based off FTES even though the allocation of funding is no longer solely based on FTES. There may be an effort to find a way to recalculate chargebacks. BC might be producing 73-75% of the FTES however, we are no longer producing that percentage of the district's entire revenue which might indicate that BC may be overpaying for District Offices services. It was noticed that our percentage of payments increased at the same time the District Office's budget increased.

Bakersfield College has some of the largest reserves for a community college in the state. Community colleges are allowed to have higher reserves than high schools because high schools are limited to 6% reserves. The District's concern that the 24/25 state budget might show a deficit which will trickle down to Prop 98 funding which affects schools. However, it will not impact us as much as other community colleges because of our reserves.

Hold harmless is still in effect where every school was guaranteed the same allocation they had before COVID. However, enrollment has declined across higher education. Some smaller districts have been overfunded. In 25/26 we will have a new baseline so there is a push to increase enrollment. There is an expectation that legislation or the State's Chancellor's office will readjust the funding formula.

There was a brief update on student housing: Overall the cost three to four years ago was a little over fifty-seven million to build a place for students to live on campus. We are now going out to bid. The bids will go to the Board in April or May. We would break ground this summer and it would take about 18-24 months to build. We will not start building until after graduation. Construction costs have increased and that will be reviewed. Originally this was a five-story building but due to inflation and rising costs, it is now a four-story building. This was funded with a state grant and one of the requirements is that student housing have a self-sustaining budget. The Board is supportive of on campus student housing.

Adjourn

John Gerhold made a motion to adjourn the meeting. Angela Williams seconded the motion to adjourn the meeting. Motion passed.