

BUDGET COMMITTEE

January 23, 2023

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

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

MEETING MINUTES

Present

Mike Giacomini, LeAnn Riley, Steven Holmes, Cristal Rios, Nick Strobel, Teresa McAllister, Ric Jimenez, Kimberly Nickell, John Gerhold, Johanna Guzman, Jo Ellen Barnes

Called to Order

4:05 p.m. the meeting was called to order.

Welcome

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Agenda

Theresa McAllister made a motion; Nick Strobel seconded the motion to accept the agenda as amended. Motion passed.

Minutes

John Gerhold made a motion; Kimberly Nickell seconded the motion to accept the minutes as amended. Motion passed.

District Administrative Unit Review

In the past Administrative Unit Reviews were done annually. Last year, the District went to a process that covers a two-year period. Looking at this year's timeline, it is not following the usual route. This year the Vice Chancellors are working on updating their administrative unit review and then it will go through the consultative process. We are still on target for getting through the budget cycle.

Friday, 2/20/23 at the District Wide Budget Committee the information regarding the Administrative Unit Review was presented. The District Wide Budget Committee asked representatives at District Consultation Council to address the idea of whether Administrative Unit Review will be a two-year cycle because the District Wide Budget Committee, which created the reviews, created it as an annual process. In the past each unit review was sent to each college and the Academic Senate President sent the unit review to a relative co-chair or a small group to go through requests, then the information was put together and submitted to the senate. It is similar to BC's program reviews. This is the way the District justifies, through their services to the colleges, the additional resources requested.

There was discussion as to when the last Administrative Unit Review was done, how the Academic Senate President used to be involved in years past, how the role of Academic Senate President rotates and might not be aware of expectations regarding AURs and how they relate to their position. AURs could be added to a list of Academic Senate duties for the Academic Senate President to know.

Administrative Unit Review process could be added to the District Consultation Council agenda which is meeting Tuesday 2/24/23. Currently we have a timeline dedicated to process needs and was created by the District Wide Budget Committee. District Wide Budget Committee spent a lot of time to create a timeline to have everyone participate in the process. Using the review process is

relatively new. We now have a plan that effectively justifies, through data, the services hired at the District when they needed to increase hiring.

It was also discussed that we wanted to wait for the local program review process to see if there were local applications that could be captured in the District AURs. The plan was to get either AURs or our program reviews and adjust our timelines so District services can respond to our college needs. Currently, it looks like our timelines do not seem to work together. We need to revisit the timelines to become more effective.

Governor's budget

A joint analysis from ACBO and CCLC regarding Governor Newsom's proposed January budget was posted and has an emphasis of how it affects community colleges. Overall, there are many areas not getting a lot of COLA due to a shortfall of revenues this year. There is an anticipated estimated shortfall of \$24-28 billion. That being said, community colleges have been insulated in the governor's budget due to areas such as 8.13% COLA increase in SCFF and several restricted programs, although SEAP & Strong Workforce are not getting any adjustments. Since those two large programs fund positions and will have salary and benefit increases, this means there is less money to fund with. We are trying to get clarification for technical adjustment hitting the SCFF, which offsets it by over \$400 million and brings the 8.13% COLA down to 4.2%. Student Centered Funding Formula is where most of our money comes from. Mike attended a budget workshop and did share that property taxes are coming in higher, which are considered a local revenue source. Overall, the allocation perspective is positive.

One-time funds from last year are going away which was done by design. They did add one significant one-time item which is Support Retention Enrollment Strategies of 200 million. In order to fund that, they reduced deferred maintenance in the upcoming year and this current year by 213 million, which is over 25% of what was allocated. The timing of spending deferred money is: you order in year one and spend in year two. There is a strong likelihood that colleges have already overspent the deferred maintenance, which includes instructional equipment. In previous years there was not a lot of deferred maintenance budget so there is a back log in college community system of items that need to be addressed. There is a very strong advocacy from the governor and legislators to the chancellor's office and to us to increase enrollment as enrollment decreases as a whole. We have time to lobby until June to get this reactivated. We already submitted how to spend 17 million dollars in needed deferred maintenance. We have old buildings, old mechanical systems, asbestos ceiling tiles, and broken concrete.

There is room for 0.5% growth in this system per district. We have potential to capture some more of this growth depending on how the Chancellors office spreads out the growth dollars. There is no change in the hold harmless agreement. The 24/25 year will create a new floor for a base, for dollar amounts in SCFF in 25/26 and beyond. This most likely will create an unexpected huge inequity going forward. Colleges that were held harmless when they were losing students in the last half decade start increasing student populations because they will earn a significantly higher rate than KCCD. Only ten districts are being held harmless at this time. By increasing the base portion for all districts, it got a large number of districts out of hold harmless.

District Wide Budget Committee

In our last meeting, there was a discussion on Administrative Unit Reviews (AUR) and Governor Newsom's budget.

There will be work on the expense side of budget allocation model and we will meet again and work on a process to have a fair and equitable allocation model.

Congratulations was made to Mike Giacomini as the new CFO.

Danny Villanueva will start as the Acting Vice President of Finance and Administrative Services on Monday 1/30/23. Mike will work with Danny for a couple of weeks to hand the Vice President position off as smoothly as possible.

Adjourn

Teresa McAllister made a motion; Nick Strobel seconded the motion to adjourn the meeting. Motion passed.