

# BUDGET COMMITTEE

May 10, 2022

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, Nick Strobel, Kimberly Nickell, John Gerhold, Imelda Simos-Valdez, Steven Holmes, Billie Jo Rice, Kailani Henry, Cristal Rios, Manny Mourtzanos, LeAnn Riley, Jo Ellen Barnes

### **Agenda**

John Gerhold made a motion, Nick Strobel seconded the motion to accept the agenda. Motion passed.

### **Minutes**

John Gerhold made a motion, Imelda Simos-Valdez seconded the motion to accept the January 2022 and February 2022 meeting minutes. Motion passed.

### **BC Tentative Budget**

Our budget team, Lisa Couch and Mike Giacomini are working on the upcoming fiscal year. It is on time and close to being ready to upload into Banner. This is due to Somaly Boles and Cristal Rios working lots of hours and conversations with a lot of people to get to this point.

This is the first year that we are utilizing the Student Center Funding Formula as the primary basis for our allocation of income that is coming from our general unrestricted funds. It is similar to how we have done it in the past as far as the result turns out. There is no real positive or negative impact for any of the colleges.

We did see an increase in our allocation year over year. Last year we had some significant one time funds that were reduced from last year, to get us where we are at in a balanced tentative budget for this year.

1000s which are for instruction increased about 4.2% year over year. We have hired more faculty above FON plus we have some normal increases.

2000s are for management & classified areas. We are at a break-even rate year over year. We have some step and column increases. The 2999 line is used to put some money away for anticipated positions that have not been identified yet. Some positions went to restricted funding and some did not come to fruition. The net is that we are flat this year.

3000s are associated benefits for 1000s & 2000s. There is a sharp increase for STRS & PERS which is outpacing COLA. We have to pay for health benefits and other items.

4000s are for materials and supplies. For the most part it increased 7.5%. This is primarily driven by non-instructional supplies and materials and for instructional supplies and materials. Additionally, repairs and maintenance supplies are due, partially, to our new buildings such as BCSW. Fuel and lubricants cost increases are due to growth in automotive program and HVAC program as well as fuel for driving to athletic events.

5000s have a 7% increase. Some costs are up, such as athletic officials increased 12%. Dual enrollment account code 5150 is driving the biggest change as we continue to increase our dual enrollment program. The costs depend on the agreements with high schools and charter schools. It could be for space for after hours, for concurrent enrollment and dual enrollment, stipends to faculty and other variables. Grants and restricted lottery funds pay for books for prison programs which belong to the 4000s. Normally, books are returned most of the time. Technology in prisons is targeted to be in place for fall 2022. Dual enrollment is not included in this particular 5000 line.

Student travel increased due to athletics being back on campus. Food & meetings have increased: example is Closing Day will serve breakfast. Institutional dues and memberships increased due to more memberships and increased member costs.

Utilities costs are going up only a little because we are managing increase in spaces with better contracts and anticipated savings on work we are doing. Especially in electricity and gas by how we are spending scheduled maintenance money to make our buildings more efficient in HVAC which spends less in electricity and natural gas. Solar panels in the southwest parking lot is still being planned. We had challenges and delays with COVID and working with getting a PG&E agreement in place because we will be considered a major supplier of electricity. The agreement is now in place. The steel costs have sky rocketed but the designs for three locations (BCSW, Weil and BC) are almost done. We are leasing and not buying the equipment. There are no out of pocket expenses and the rate is locked for twenty years.

There are increases in software maintenance license agreements. We are expecting increases in intercollegiate travel. Some line items are the same but maintenance repair increases because repair services are increasing and we want to have enough funds to take care of them.

5671 Equipment maintenance agreements decreased and it is a small amount of dollars. It would have to be researched to get more detail as to why it decreased.

There is a decrease in bad debt expense primarily due to writing it off because of COVID and using HEERF funds for bad debt occurring during COVID.

\$1.5 million payment for architect fees are our half for BC student housing which is coming from reserves. We hope to break ground in December 2022 or January 2023. However, this depends on how long it takes in DSA. There is a \$17 billion overage of what they can spend in GANN, and they are looking to fund outside GANN limits. The State Chancellor's office and other lobbying groups are lobbying for us. The architecture is funded 50% by BC and 50% District Wide. The rest will be funded by a onetime expenditure that acts like a grant.

6400s had a decrease driven by this year there was a lot of money going into furniture at BCSW. This year extra money went to technology, computers, upgrades and especially in BCSW and we will not have to duplicate those expenditures next year.

There are normal debt payments on original one megawatt solar field and the District charge backs.

These are the numbers that we will presenting to the Board as of today.

There was discussion explaining allocation of general unrestricted funds which are based on the student-centered funding formula and there are some items that are not through SCFF but are still general unrestricted funds. There are district chargebacks that go to each college and some local revenue that is generated at the college.

There was a general discussion of costs associated with SCFF and how it is broken down in different categories such as dual enrollments, concurrent enrollments, special admit applications and other areas that affect costs of how we offer students education. Items to consider is how faculty are paid depends on if they are involved with concurrent enrollment or dual enrollment. The college receives a SCFF bump when students get their certificate. Our enrollment is part of our investment into high schools and how students are building their transcript at BC. It is important to note that our investment into students benefit them and their education whether they choose to go to BC or another college. We are changing the culture and are showing them it is possible for them to receive an education. An education gives them a boost in life. These steps are by design from us. We do track students and how they are doing.

The timeline for our budget approval process includes Mike speaking to the Board Finance Committee meeting on 5/19/2022. The tentative budget will go to the full Board for tentative approval in June. We will continue to work on the budget to get it adopted in September. The May revise is due later this week. Mike will get a joint analysis from CCLC & ACBO and then send us that information.

Mike thanked the Budget Committee for a great year and for participating in the committee.