

Budget Committee Review & Discussion Timeline

As of June 16, 2020

- March 26**
Thursday
Board Finance Subcommittee Meeting
[Minutes](#)
3. Business Items Subject B. Review and Discussion of 2019-20 Budget (R1 & P1 Apportionment Reports) and 2020-21 Budget.
Chancellor Burke shared information with the committee regarding the Budget processes and the effects of the coronavirus (COVID-19) on the preparation of the budget. The committee discussed the R1 and P1 Apportionment Reports. [File Attachments KCCD 2018-19 R1 & 2019-20 P1.pdf \(116 KB\)](#) details of the attachments are incorporated herein by reference. The Committee voted to temporarily place all of the FY18-19 funding increase, approximately \$10 million, into the Districtwide reserves. Additionally, the FY19-20 increases were voted to be directed to the Districtwide reserve due to being projections and unrealized. These decisions were based on the current level of fiscal uncertainty stemming from coronavirus (COVID-19).
- March 30**
Monday
BC Budget Committee Leadership Meeting
Discussion of Board Finance Committee and economic outlook in California
- April 2**
Thursday
BC Budget Committee Update to College Council
re: apportionment and reserves
- April 9**
Thursday
KCCD Board meeting
Board approved item 11.A directing \$11.5M to reserves. At the end of the meeting, Chancellor Burke in a conversation with the Board Chair referred to reconciling college budgets beginning/end fund balances. He noted he did the calculations between the March 26 and April 9 board meetings. [2020-04-09 KCCD Board Meeting](#) (YouTube Video)
45:49 Trustee Meek share's the Board Finance Committee's directive
48:25 Chancellor Burke's explanation of his unilateral decision to allocate the reserves differently than the directive of the Board
53:22 Trustee Agbalog asks for clarification on vacant positions and addresses the opportunity to look at efficiency metrics
63:22 Motions and vote on item 11.A "authorization for the Chancellor to direct unallocated, unrestricted funding to college and districtwide reserves for purpose of preparing for anticipated significant reductions of state apportionments"
- April 14**
Tuesday
BC Budget Committee Meeting [Minutes](#)
Budget committee review of \$11.5 reserve allocation

Excerpts from minutes follow:

State of the Budget & the Economy

A discussion whether we track how much Bakersfield College contributes to District Office reserves. There is a board policy regarding reserves, which states the Board can take college reserves from each of the colleges to backfill the District reserves. Bakersfield College is a workhorse from a growth standpoint because we generated the largest share of their reserves and were expected to because we generated 70% of the FTEs. At one point, we had information that BC contributed 90% of the District Office reserves in the past. There was discussion to request, from the District Office how much of the \$10.5 million from 2018-19 was from each college and note that information going forward. From 2013-2018 the District Office reserves grew mostly due to BC's growth. We could present information to the Chancellor. Currently our GDP is going down; unemployment may reach double digits for a while. The normal trend of higher education with students coming back to school because of the economy does not bear out with our current enrollments numbers, which are soft right now. Cerro Coso has a current deficit of 1.6 million and Porterville has a \$600,000 deficit. This is structurally imbalanced and not contributing into the District reserves.

In the continued discussion of District Office reserves, the aspect was raised that we have to be proactive in tracking how much of the District Offices reserves are from Bakersfield College. We need to know because information is valuable for future conversations if we have financial troubles and need to make a point. We can get the board to see logic based on figures from documents. We do recognize that Board members listen to their constituents.

Board of Trustees Finance Committee Meeting

The District Wide Budget committee made recommendations but did not provide them to the finance committee or the Board. The recommendations from the Chancellor to take the \$10.5 million from 18/19 budget for reserves and distribute the potential \$6 million from the 19/20 budget to the colleges was not adopted. There was discussion that the Board of Trustees Finance Committee may perceive that colleges cannot control their own budgets and have healthy reserves on their own and find it necessary to stockpile reserves. What could justify that thought was a short period of time that the District Office used some reserves to cover payroll because state money coming to the colleges was late and we had to dip into do reserves during that time but it was paid back. That was during a period of time when California did not pass their state budgets on time, which affected many entities across the state.

April 16
Thursday

BC Budget Committee Update to College Council
re: apportionment and reserves

- May 4**
Monday
BC Budget Committee Campus-Wide Open Forum
[BAKERSFIELD COLLEGE ALL CAMPUS BUDGET FORUM](#)
- May 19**
Tuesday
Nick Strobel Letter to Trustee Meek, Chair of the Finance Subcommittee
- May 20**
Wednesday
BC Budget Committee Meeting
Covered 18-19 R1 allocation inequity. BC Funding 90% of the District Level Reserve increase. [2018/19 R1 Allocation Inequity](#)
- June 3**
Wednesday
Teresa McAllister Letter to Trustee Meek, Chair of the Finance Subcommittee
- June 11**
Thursday
KCCD Board Meeting;
Nick Strobel, Teresa McAllister, Paul Beckworth, and Steve Holmes addressed the Board during open comment
- June 12**
Friday
The Bakersfield Californian Article by Ema Sasic re: KCCD Board Meeting
[KCCD trustees, employees urge chancellor to put funds back to districtwide reserves](#)
- June 16**
Tuesday
College Council Special Meeting