

President Agbalog, Board of Trustees, and Chancellor Christian,

Board Policies 6200 (Budget Preparation) and 6250 (Budget Management) are “Rely Primarily Upon the Advice and Judgement” of the Academic Senate. The Academic Senates of Cerro Coso Community College, Porterville College, and Bakersfield College examined the proposal to increase the budget reserve floor and ceiling levels by five percentage points and we do NOT support the proposal.

The current Board Policy provides the flexibility the Board needs to temporarily increase reserves as necessary to prepare for any upcoming financial downturn such as a recession, as well as, to spend up to 85% of general unrestricted fund during good financial times if the Board desires. The current Board Policy allows the Board to go well above the soft ceiling, even as high as 30% to 40% reserve to tide us through a recession. An increase in the hard floor to 20% would lock away another 5% of the taxpayer money from use in instruction—i.e., an additional \$10 million for the current adopted budget amount (and larger amounts as our budget increases).

All of the rationales the Senates have been given for increasing the reserve levels centers around a concern to carry us through the upcoming recession. The *current* Board Policy allows the Board to temporarily increase the reserves to account for changing financial conditions and predictions.

Title 5 and Board Policy both state that the recommendation of the Academic Senates will be accepted and only under exceptional circumstances and for *compelling* reasons will the recommendations not be accepted. If the Board chooses to not accept our recommendation, we ask the Board to promptly communicate the compelling reasons for its action in writing to the Academic Senates as described in Board Policy.

We ask that this letter and accompanying resolution be included in the documents posted for the Board of Trustees meeting in the agenda line item where the BP 6200/6250 will be voted upon.

With collegiality,

Yvonne Mills
Academic Senate President
Cerro Coso Community College

Robert Simpkins
Academic Senate President
Porterville College

Nick Strobel
Academic Senate President
Bakersfield College

A Resolution Regarding the KCCD Board Policy 6200, Budget Preparation

Whereas, Title 5 of the California Administrative Code, Section 53200, and the Kern Community College Board Policy 8100, Recognition of Academic Senates, recognize the Academic Senate to make recommendations with respect to academic and professional matters, 10+1, including processes for institutional planning and budget development;

Whereas, Title 5 of the California Administrative Code, Section 53203 and the Kern Community College Board Policy 8300, Recommendations and Consultation, states, “In instances where the Board of Trustees elects to rely primarily upon the advice and judgment of the Academic Senates, **the recommendations of the Academic Senates shall normally be accepted and only in exceptional circumstances and for compelling reasons will the recommendations not be accepted** and if a recommendation is not accepted, the Board of Trustees or its designee, upon request of the Academic Senates, shall promptly communicate its reasons for its action in writing to the Academic Senates”;

Whereas, it has been agreed upon that the Kern Community College Board Policy 6200 Budget Preparation and 6250 Budget Management, are a “Rely Primarily Upon the Advice and Judgement” of the Academic Senates;

Whereas, the Kern Community College Board’s Finance and Audit Subcommittee is recommending to the Kern Community College Board of Trustees the following language change in Board Policy 6200 and 6250: “*District-wide unrestricted general fund reserves shall be no less than ~~fifteen~~ **twenty** percent (~~15%~~ **20%**) and should not exceed ~~twenty~~ **twenty-five** percent (~~20%~~ **25%**) of the unrestricted district-wide expenditures*”;

Whereas, careful consideration of the District-Wide Budget Committee’s processes in creating the current policy language and review of the following documents: 2022-23 KCCD District-Wide Unrestricted Reserves, Investments Proposal & Cashflow Analysis; and a ten-year statewide analysis of each of the 73 community college districts’ unrestricted reserves shows that KCCD ranked in the top five over the last eight years and second in the most current (2020-21) unrestricted reserves; and

Whereas, the previous change in the districtwide unrestricted reserve amount in Board Policy from 5% to 15% occurred in April 2014, several years after KCCD weathered the Great Recession with the 5% reserve floor in Board Policy and KCCD weathered the deferments in state funding during the early stages of the pandemic with the 15% reserve floor in Board Policy;

Be it resolved that, the Bakersfield, Cerro Coso, and Porterville Academic Senates **DO NOT** support the proposed language change to Board Policy 6200 and 6250; and

Be it resolved that, if the Kern Community College Board of Trustees does not “rely primarily on the advice and judgment” of the Academic Senates, the Board of Trustees SHALL promptly communicate their compelling reasons for their actions in writing to the Academic Senates.