

BAKERSFIELD COLLEGE ALL CAMPUS BUDGET MEETING

JANUARY 25, 2016



PRESENTED BY
DR. SONYA CHRISTIAN, PRESIDENT
STEVEN HOLMES, ACADEMIC SENATE PRESIDENT
DR. ANTHONY CULPEPPER, VICE PRESIDENT, FAS

TOPICS OF DISCUSSION

- President's Remarks
- Budget Committee Members
- Strategic Directions
- Educational Master Plan
- Budget Message
- Debt Payoff and Construction
- 5 yrs. Growth Trend and Projections
- Faculty Positions (FON)
- State Apportionment 5 yrs.
- Technology
- Academic Senate President
- 50% Analysis
- Management Salary Costs
- Vice President of FAS
- Adopted Budget 2015-16
- State of the Budget 2015-16
- Categoricals
- Governor's Budget Proposal (January)
- California Budget Economic Trend
- What If A Recession...

PRESIDENT'S REMARKS



BUDGET COMMITTEE



Reggie Bolton, Member Meg Stidham, Member Anthony Culpepper, Chair Laura Lorigo, Member John Gerhold, Member
Alfredo Sanchez, Member Steven Holmes, Chair Somaly Boles, Member Nick Strobel, Member

BUDGET COMMITTEE MEMBERS

- Dr. Anthony Culpepper – Vice President, FAS; Chair
- Nan Gomez-Heitzeberg – Exec. Vice President, Academic Affairs
- Dr. Zav Dadabhoy – Vice President, Student Affairs
- Steven Holmes – President, Academic Senate; Chair
- Tina Johnson – President, CSEA
- Laura Lorigo – Manager, Auxiliary and Budget
- Dr. John Gerhold – Faculty
- Meg Stidham – Classified
- Reggie Bolton – Faculty
- Dr. Nick Strobel – Faculty
- Somaly Boles – Classified
- Alfredo Sanchez – SGA Representative

STRATEGIC DIRECTIONS

BC Strategic Directions for 2015-2018, College Council April 2, 2015

Student Learning

A commitment to provide a holistic education that develops curiosity, inquiry, and empowered learners.

Student Progression and Completion

A commitment to eliminate barriers that cause students difficulties in completing their educational goals.

Facilities

A commitment to improve the maintenance of and secure funding for college facilities, technology, and infrastructure for the next thirty years.

Oversight and Accountability

A commitment to improve oversight, accountability, sustainability, and transparency in all college processes.

Leadership and Engagement

A commitment to build leadership within the College and engagement with the community.

EDUCATIONAL MASTER PLAN

Precollegiate:

- Acceleration
- Academic support
- Summer Bridge

CTE:

- New programs
- Stackable certificates
- College and career pathways

Transfer and gen ed:

- Expansion of transfer degrees
- Sufficient gen ed classes
- Rural Initiatives

BUDGET MESSAGE

Programmatic:

- New growth through new funding and repurposing of funding
- One-time allocation for one-time expenditures

50%:

- Support the district in achieving the district-wide 50%
- Instructional expenditures from GUI
- Non instructional (categorical or grants)

Reserves:

- Bakersfield College's current projected reserve is approximately \$6.5M. This represents approximately 7% of its operating budget for 2015-16. In order to be in compliance with the District, a 3% college reserve is required.

Other:

- \$5.5M is being allocated to Long Term Debt Payoff and Construction Costs subject to board decision in June 2016
- Pay ahead for ongoing expenditures like subscriptions, etc.
- Grants
- Fees

DEBT PAYOFF AND CONSTRUCTION

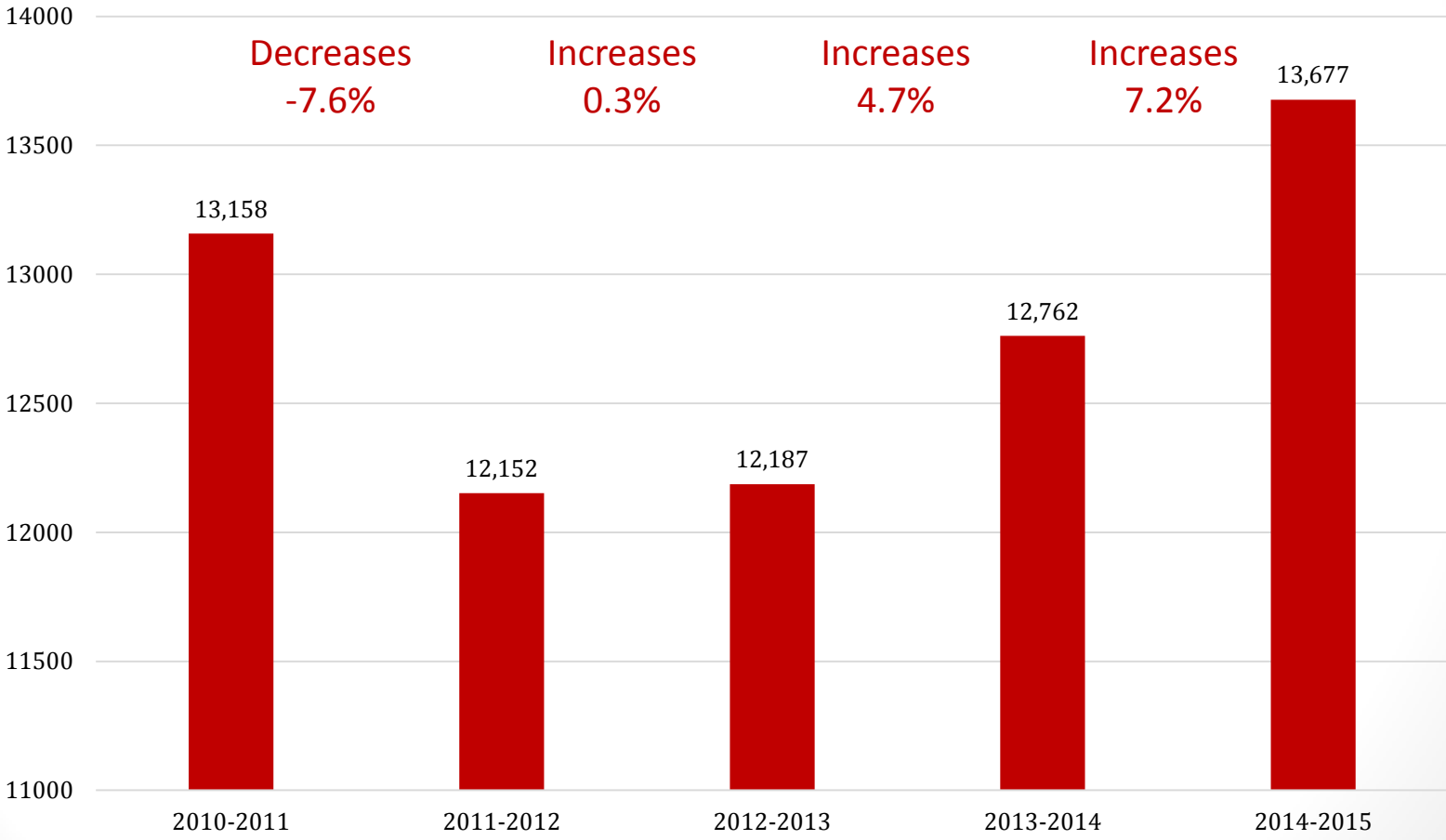
Kern Community College District GU001 Budget Allocation Change

<u>Un-Allocated Budget Item/Purpose</u>	<u>BC</u>	<u>CCCC</u>	<u>PC</u>	<u>DO</u>	<u>Total</u>
Full Time Faculty Hiring	\$ 698,765.58	\$ 162,990.66	\$ 170,135.75	\$ 0.00	\$ 1,031,892.00
<u>Limited to paying off ---1. Debt and 2.Construction Projects</u>					
Base Increase (Note 1)	2,018,823.00	417,237.00	445,607.00	0.00	2,881,667.00
Mandated Cost Reimbursement (one time)	3,642,988.00	752,909.00	804,103.00	0.00	5,200,000.00
Sub-Total	5,661,811.00	1,170,146.00	1,249,710.00	0.00	8,081,667.00
Total	\$ 6,360,576.58	\$ 1,333,136.66	\$ 1,419,845.75	\$ 0.00	\$ 9,113,559.00
Percent Allocated	70%	15%	16%	0%	100%

Note 1: Board will determine 2016-17 allocation in June 2016

5 YRS. GROWTH TREND AND PROJECTION

Funded FTES



5 YRS. GROWTH TREND AND PROJECTION

FTES 5 Years Projection (Growth based on district stability intervention for two years)

	2015-16 DGO	2016-17 DGO	2017-18 DGO	2018-19 DGO	2019-20 DGO	Total Additional FTES
Projected Funded FTES	14,475	14,909	15,058	15,209	15,361	
Additional FTES	798	434	149	151	152	1,684
Growth %	0.058	0.030	0.010	0.010	0.010	

Previous FTES 5 Years Trend

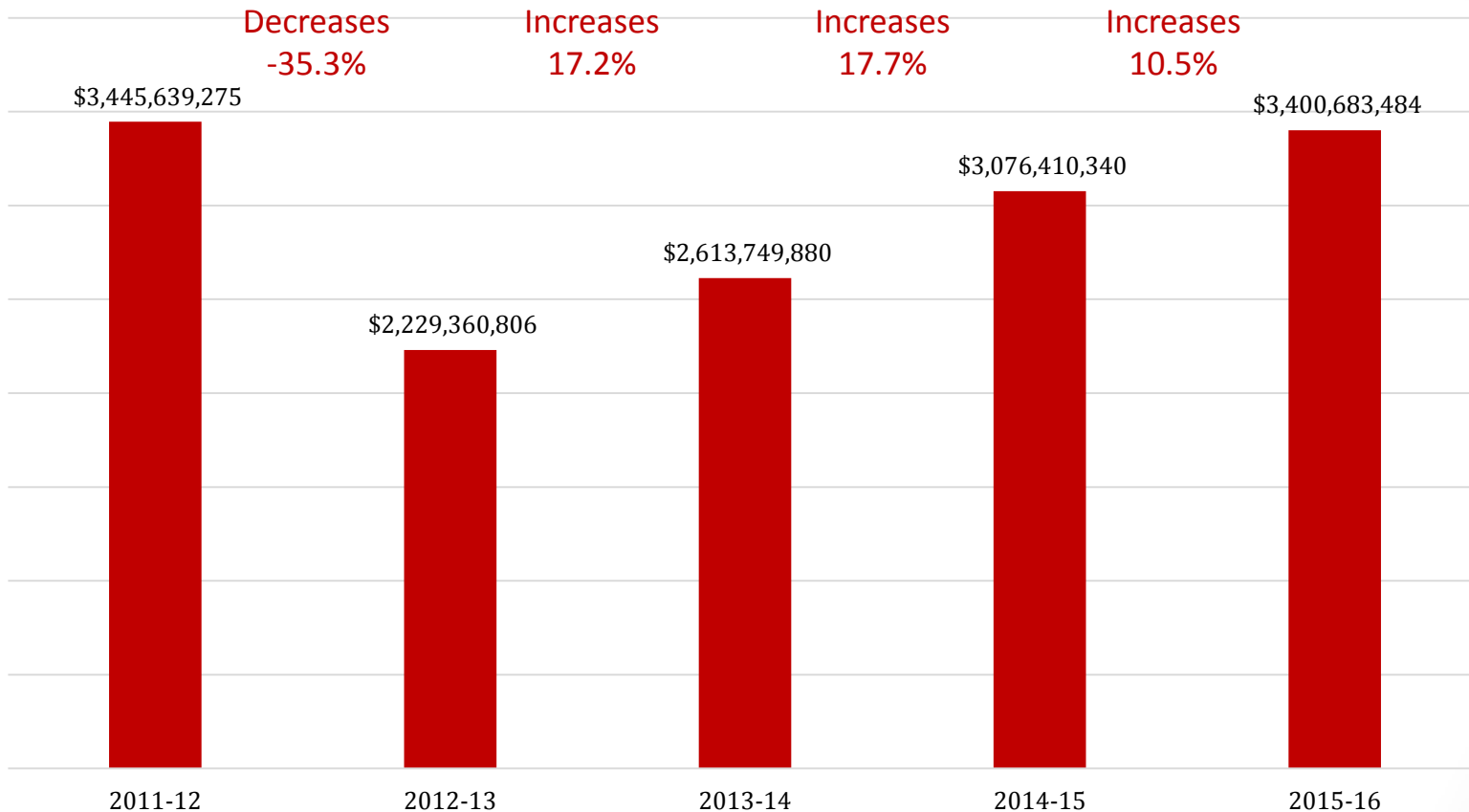
	2010-11	2011-12	2012-13	2013-14	2014-15*	Total Additional FTES
Funded FTES	13,158	12,152	12,187	12,762	13,677	
Additional FTES	(436)	(1,006)	35	575	915	83
Growth %	0.034	(0.076)	0.003	0.047	0.072	

FACULTY POSITIONS (FON)

	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>	<i>2014-2015</i>	<i>2015-2016</i>
FON District	373.60	365.80	348.80	368.80	370.80	396
Bakersfield College Actual	250	254	250	247	261	277
Percentage of Actual/FON	66.9%	69.4%	71.7%	67.0%	70.3%	69.9%
Expenditure on faculty positions (actuals)	21,311,646	21,344,544	21,897,231	21,658,339	21,403,245	21,780,439

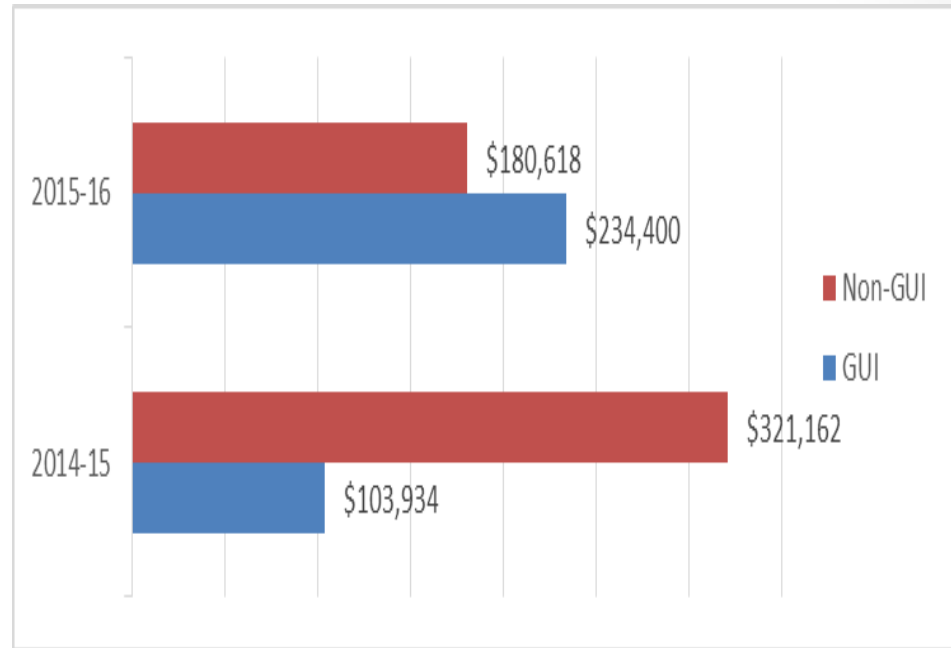
STATE APPORTIONMENT 5 YRS.

State General Unrestricted & Categorical Revenue



TECHNOLOGY

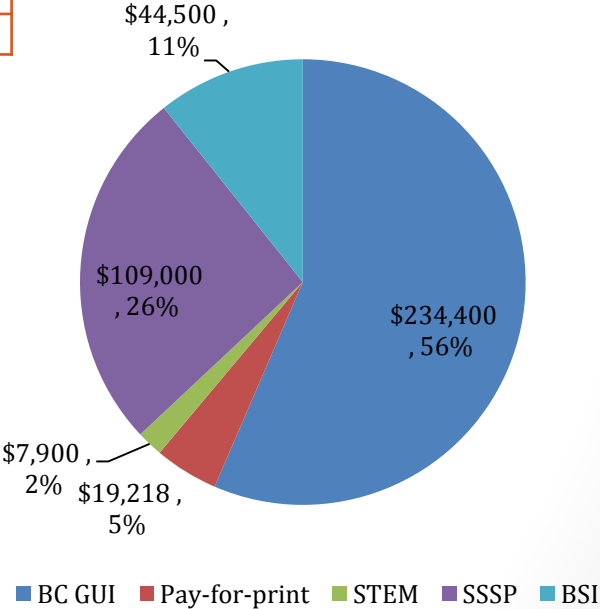
For academic year 2015-16, we have spent about \$415k for technology. This is an increase of about \$45k over the same time period last year. Some of the key purchases were two additional printers for the student open computer lab in the library (Pay-for-print), iPads for the classroom (BSI), laptops and computers for the new student welcome center (SSSP), laptops and carts for Supplemental Instruction and some of our other labs (SSSP), and licensing for software for many of our instructional labs (GUI). Also, money was spent on hardware maintenance agreements for our core switch and wireless infrastructure, upgraded IP telephones, and a new core network switch for the Delano campus (GUI).



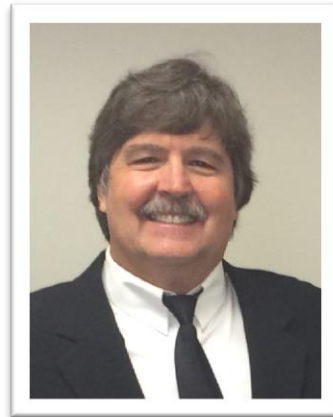
TECHNOLOGY

Technology (\$415,018 Mid-year Fiscal 2015-16)

2015-16 YTD Mid-year		2014-15 Mid-year	
BC GUI	\$ 234,400	BC GUI	\$ 103,934
Pay-for-print	\$ 19,218	STEM	\$ 38,525
STEM	\$ 7,900	Nursing	\$ 139,262
SSSP	\$ 109,000	SSSP	\$ 34,162
BSI	\$ 44,500	BSI	\$ 56,000
		State Construction Bond	\$ 53,213
Total	\$ 415,018	Total	\$ 371,883



STEVEN HOLMES
ACADEMIC SENATE PRESIDENT;
FACULTY CHAIR, BUDGET COMMITTEE



2015-16 ADOPTED BUDGET 50% LAW TARGET

Kern Community College District					
2015-16 Adopted Budget 50% Law Target					
	Percentage Chg in 50% Ratio				
	2013	2014	Average	Budget Target	2015-16 Adopted Budget
Bakersfield	66.74%	63.66%	65.20%	64.92%	65.32%
Cerro Coso	53.98%	50.40%	52.19%	52.12%	52.47%
Porterville	57.85%	55.35%	56.60%	56.54%	58.12%
District	2.64%	2.89%	2.76%	2.76%	2.79%
Total	53.80%	50.04%	51.92%	51.50%	51.75%
Short of Target					

KCCD 50% LAW CALCULATION

	A	P
1	Kern Community College District	
2	50% Law Calculations	
3	Special Consultation Council Analysis	
127		
128		
129	District Total	
130		Adopted Budget
131		2015-2016
132	Academic Salaries	
133	Instructional Salaries	38,506,950
134	Non Instructional Salaries	8,714,891
135	Sub-total	47,221,841
136		
137	Classified Salaries	
138	Non-Instructional Salaries	18,399,181
139	Instructional Salaries	2,018,535
140	Sub-total	20,417,717
141		
142	Other Expenditures	
143	Employee Benefits (Instructional)	10,380,470
144	Employee Benefits (Non- Instructional)	11,274,401
145	Supplies & Mateials	1,800,842
146	Other Operating Expense & Services	11,416,623
147	Other Operating Expense & Services (Instructional)	601,281
148	Equipment Replacement	0
149	Sub total	35,473,617
150		
151	Less Exclusions	(657,742)
152	Less Lottery	(2,927,340)
153		
154	Total	99,528,093
155		
156	Percentage of Current Expense of Education	51.75%
157		
158	Filed with Chancellors Office 311A	N/A
159		
167	2015-16 Adopted Budget	51.75%

BC 50% LAW CALCULATION W/CHARGEBACK

	A	P
1	Kern Community College District	
2	50% Law Calculations	
3	Special Consultation Council Analysis	
34		
35		
36	Bakersfield College	
37		Adopted Budget
38		2015-2016
39	Academic Salaries	
40	Instructional Salaries	\$ 25,989,745
41	Non Instructional Salaries	\$ 4,431,790
42	Sub-total	30,421,535
43		
44	Classified Salaries	
45	Non-Instructional Salaries	\$ 6,946,952
46	Instructional Salaries	\$ 1,409,259
47	Sub-total	8,356,212
48		
49	Other Expenditures	
50	Employee Benefits (Instructional)	\$ 7,251,592
51	Employee Benefits (Non- Instructional)	\$ 4,858,795
52	Supplies & Mateials	\$ 1,084,314
53	Other Operating Expense & Services	\$ 3,605,584
54	Other Operating Expense & Services (Instructional)	\$ 13,000
55	Equipment Replacement	\$ -
56	Sub total	16,813,285
57		
58	Less Exclusions	\$ (541,000)
59	Less Lottery	\$ (1,982,523)
60	Plus Charge Backs	\$ 11,557,716
61	Total	64,625,224
62		
63	Percentage of Current Expense of Education	53.64%
64		

MANAGEMENT SALARY IMPACT ON 50% LAW

50% Law Calculation with District Office Charge Backs

	2015-16	2015-16
		w/Management Increase
Bakersfield	53.64%	53.37%
Cerro Coso	45.55%	45.09%
Porterville	49.15%	48.65%
KCCD	51.75%	51.40%

Data does not include CSEA salary increases.

(Source: 2014-15 data from Burke-DCC 04/28/15

2015-16 data supplied by Burke DCC 12/01/15. 2015-16 w/increase calculated by Holmes)

ANTHONY CULPEPPER
**Vice President, Finance &
Administrative Services**
CHAIR, BUDGET COMMITTEE



ADOPTED BUDGET 2015-16

Revenue

15/16 Tentative Budget Allocation	55,840,002.00
Mandate Claim Paydown Allocation (MCP)	1,852,408.65
Local Revenue	1,300,000.00
14-15 Projected Carryover	4,500,000.00
14-15 Growth Allocation	3,749,985.00
Total Revenue	67,242,395.65

ADOPTED BUDGET 2015-16

Expenses	Academic Salaries	30,455,946.14
	Classified & Oth Nonacad Salaries	9,118,398.23
	Employee Benefits	12,427,949.34
	Supplies & Materials	1,242,250.66
	Service/Utilities/Operating Exps.	4,509,990.12
	Capital Outlay	2,730,608.65
	Other Outgo	6,045,680.03
	Interfund Transfers	711,572.48
	Total Expenses	67,242,395.65
		<hr/>
	Net Difference	<u><u>-</u></u>

ADOPTED BUDGET 2015-16

50% Law Calculation

Target	64.92%
Calculation for adopted budget	65.40%

Reserve Requirement	3% Reserve Requirement	1,849,000.04
	Reserve on hand 9.5%	5,858,328.07

STATE OF THE BUDGET

- For the 2015-16 fiscal year, Bakersfield College is operating with a general fund adopted budget of approximately \$86 million; this equates to approximately 11% growth when compared to the 2014-15 fiscal year.
- The salaries and benefits account for approximately 64% (2014-15) and 63% (2015-16) of the adopted budget revenue.
- Bakersfield College received approximately \$11.9 million in state and federal grant dollars; this is a 29% increase when compared to the 2014-15 fiscal year.

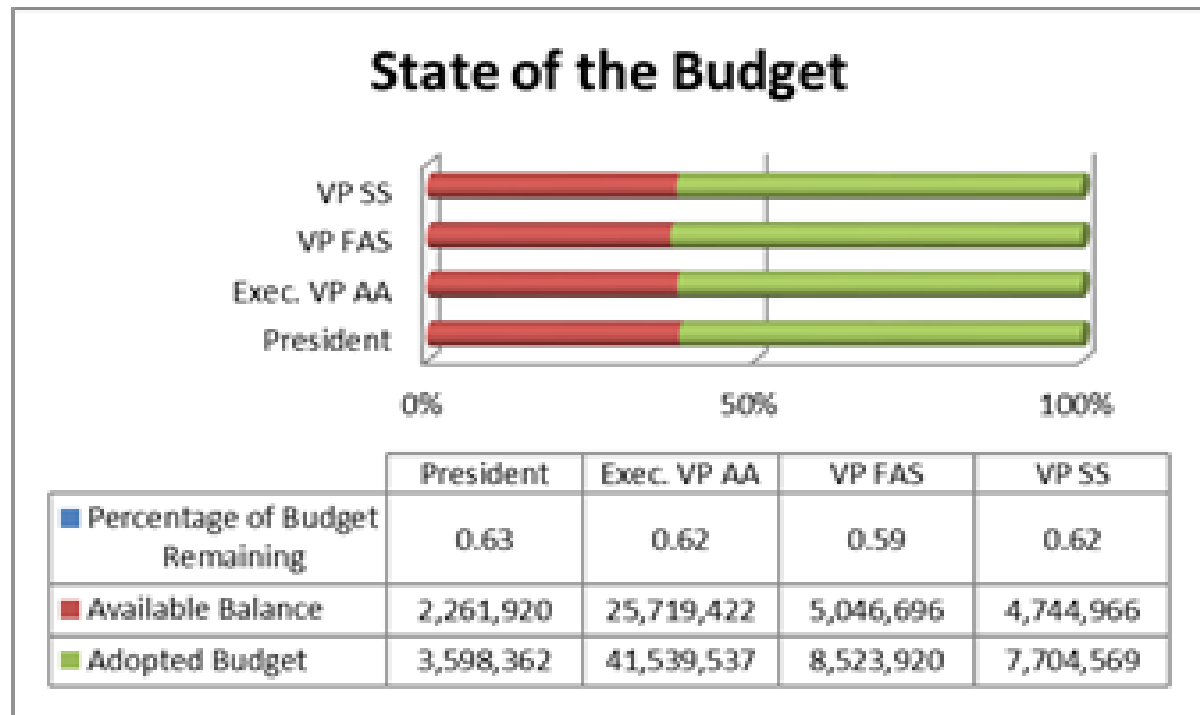
STATE OF THE BUDGET

The college reserves are projected to be \$6.5M (2015-16); this is an approximate 38% increase when compared to the 2014-15 fiscal year adopted budget and it assures that Bakersfield College will be in compliance with the 3% board policy.

General Unrestricted Revenue (KCCD Apportionment)	2011-12	2012-13	2013-14	2014-15	2015-16
State General Apportionment and Property Tax	\$94,916,681	\$97,226,578	\$101,183,828	\$105,328,287	\$112,911,481
Bakersfield College Allocation (Adopted)	\$61,756,116	\$57,371,840	\$63,929,479	\$69,216,541	\$75,849,878
Bakersfield College Reserves (Adopted)	\$3,907,608	\$2,501,862	\$4,542,782	\$4,500,000	\$5,849,905
Reserves as a percentage of Allocation	0.063	0.044	0.071	0.065	0.077
Compliance Reserve Ratio 3% (Adopted)	0.075	0.051	0.088	0.082	0.097

STATE OF THE BUDGET

The chart indicates the percentage of the budget remaining to be expended for each major department over the next seven months. As indicated in the chart, each departments remaining available budget is below the 41.2% of its respective allocation of the Adopted Budget. This is an indicator that the various departments are efficiently managing and controlling their budgets. Overall, the remaining balance in the college budget represents approximately 62% of the adopted budget. Bakersfield College’s current projected reserve is approximately \$6.5M. This represents approximately 7% of its operating budget for 2015-16. This indicates that Bakersfield College will be in compliance with the District’s 3% college reserve as required. Further, a portion of approximately \$9M of the unallocated general funds is being held by the District Office to fulfill debt obligations and to support new full time faculty hires.



CATEGORICALS

	2011-12	2012-13	2013-14	2014-15	2015-16
Categoricals Revenue (KCCD Apportionment*)					
Employment Opportunities and Program Services (EOPS)	\$1,506,359	\$1,494,287	\$1,506,359	\$1,858,410	\$1,858,410
Bakersfield College Allocation (Adopted Budget)	\$582,576	\$623,766	\$623,766	\$769,546	\$769,456
Disabled Students and Program Services (DSPS)	\$1,038,253	\$1,007,789	\$1,012,262	\$1,501,485	\$1,539,888
Bakersfield College Allocation (Adopted Budget)	\$726,878	\$708,556	\$637,591	\$1,097,228	\$1,177,859
Student Success and Support Program (SSSP)	\$667,361	\$666,938	\$663,555	\$3,073,362	\$3,073,362
Bakersfield College Allocation (Adopted Budget)	\$451,574	\$451,215	\$439,481	\$949,844	\$2,137,497
Student Equity (SE)	\$0	\$0	\$0	\$1,526,313	\$1,449,997
Bakersfield College Allocation (Adopted Budget)	\$0	\$0	\$0	\$1,005,862	\$1,005,101
Physical Plant and Instructional Support	\$0	\$0	\$442,670	\$2,475,148	\$2,428,457
Bakersfield College Allocation (Adopted Budget)	\$0	\$0	\$296,589	\$1,491,080	\$1,475,469
Adult Education	\$0	\$0	\$0	\$0	\$4,492,132
Bakersfield College Allocation (Adopted Budget)	\$0	\$0	\$0	\$0	\$0
Full Time Student Success Grant	\$0	\$0	\$0	\$0	\$1,057,800
Bakersfield College Allocation (Adopted Budget)	\$0	\$0	\$0	\$0	\$0

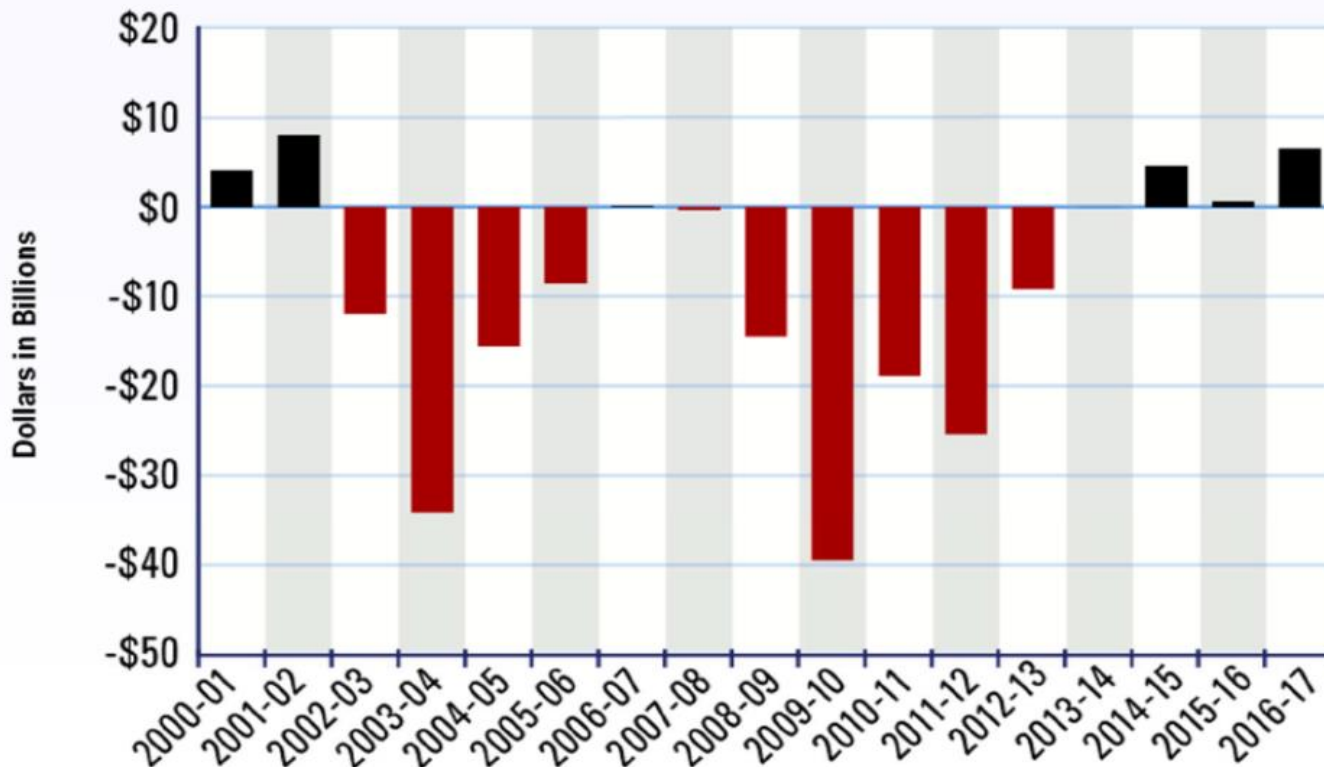
*Source: California Community Colleges Chancellor's Office Apportionment Reports
<http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalServicesUnit/Reports/ApportionmentReports.aspx>

GOVERNOR'S BUDGET 2016-17

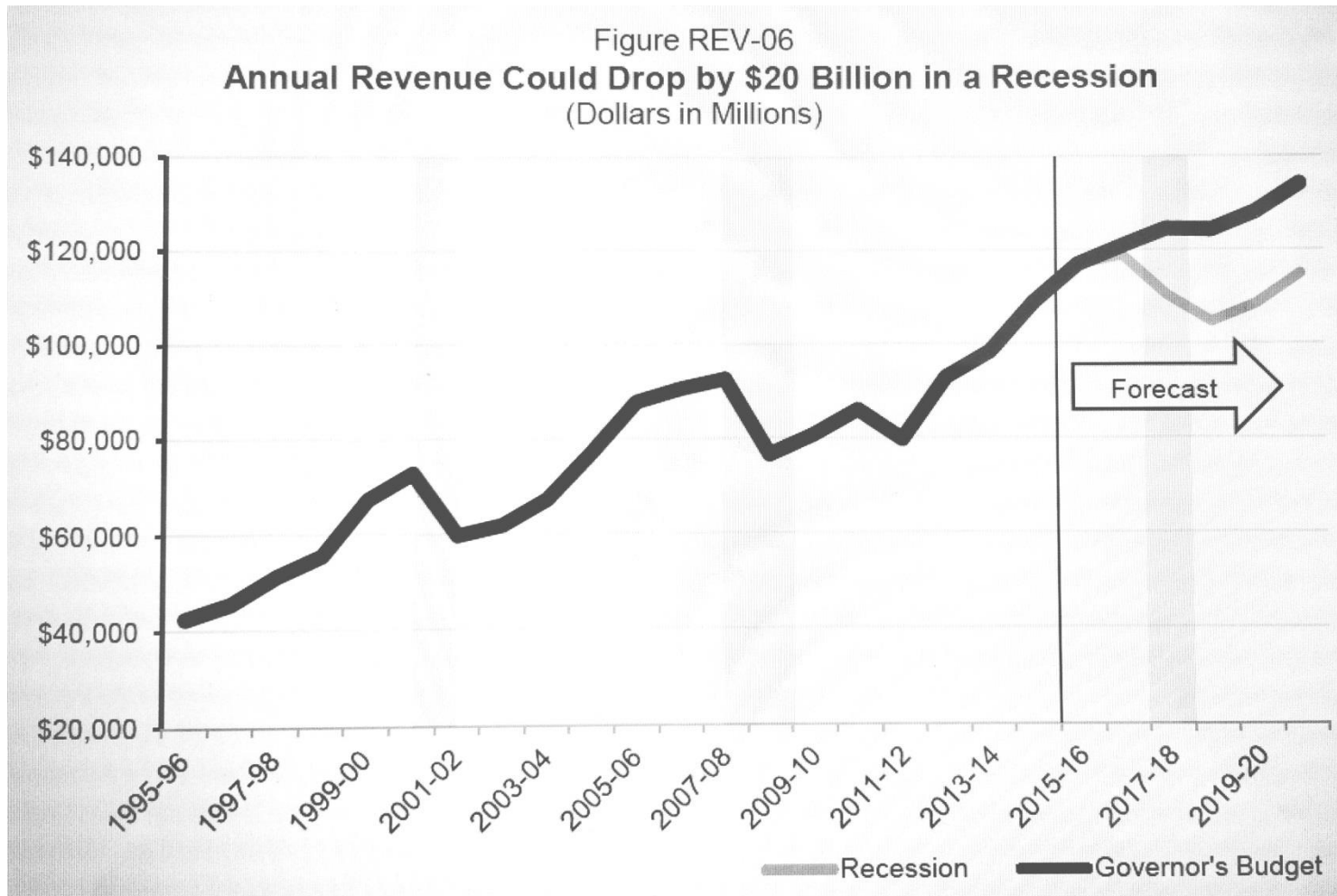
- Student growth to 50,000 (2% increase in access)
- Cost of Living Adjustments (COLA); decrease from projection of 1.99 to .47 percent
- Economic Workforce Development Grant (EWD); increased by \$200M
- Career and Technical Education (CTE) SB1070; increased by \$48M and movement to make it permanent
- Basic Skills; increased by \$48M; movement to make permanent
- Schedule Maintenance Special Repair (SMSR); \$289M Maintenance and Instructional Equipment; \$255M targeted to be ongoing
- Mandate Reimbursement \$76M – one-time funds to be distributed per FTES to retire outstanding mandate claims

CALIFORNIA BUDGET ECONOMIC TREND

Balanced Budgets Have Been Quickly Followed by Huge Deficits



WHAT IF A RECESSION....



BAKERSFIELD COLLEGE ALL CAMPUS BUDGET MEETING

JANUARY 25, 2016



PRESENTED BY
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DR. ANTHONY CULPEPPER, VICE PRESIDENT, FAS