

# BUDGET COMMITTEE

February 28, 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, Somaly Boles, Kimberly Nickell, John Gerhold, Imelda Simos-Valdez, Steven Holmes, Billie Jo Rice, Jo Ellen Barnes

Presenters: Leo Ocampo, Jason Stratton

### **Agenda**

A quorum was not achieved at this meeting.

### **Minutes**

A quorum was not achieved, therefore the minutes will be moved to the next meeting

### **Accreditation Mid-Term Report Update**

Jason Stratton & Leo Ocampo presented material regarding the Accreditation Mid-Term Report and how it is related to the Budget Committee. The discussion included that the 2018 External Evaluation visit reaffirmed accreditation for seven years and there were no recommendations for areas of improvement. The 2022 midterm report has specific items to address. We are developing this report and updating goals and achievements in order to prepare for the next external visit. This midterm report shows reflection on improving student learning outcomes and institution set standards.

Quality focus projects included:

1. Clarify the path with Program Pathways Mapper.
2. Keep students on path by scaling and integrating student support and learning.

Fiscal Reporting: we will supply the most recent copy of our fiscal report. Feedback is welcome from the Budget Committee to help contextualize an introductory paragraph of what will be viewed. The report needs to be approved by Academic Senate, College Council and then be approved by the Board of Trustees by September 2022 because the midterm report has to be at ACCJC by October 2022. The midterm report will have the 2020-2021 fiscal report because it is the latest one available. We may add HEERF language and its support of areas that were normally revenue generating areas such as Food Services and College Safety. HEERF supported areas which were negatively impacted such as covered student bad debt and moved classes to an online model and increased technology support for students. Jason took notes on different thoughts and will bring out the HEERF aspect in the contextualized input for the midterm report.

### **CFO Transition**

Mike is filling in as Interim CFO for the District. Arlitha's last day is Friday March 4, 2022. Mike will continue as the Vice President of Bakersfield College as well as Interim CFO. We have brought in Kathy Blackwood who works with Cambridge West as a consultant and she offers seasoned help for special projects. Tom Burke will help with projects at the CFO's office. Lisa Couch, the Vice President for Cerro Coso College will help with the District's, Porterville's and Cerro Coso's budgets. Somaly Boles and Cristal Rios are picking up extra tasks. A request for a new budget analyst is being advertised to assist with the workload such as grant reporting. Staffing of the District Office will be part of Mike's responsibilities.

The District has positions that need to be hired such as the Vice Chancellor for Human Resources because Dena Rhoades is retiring December 2022. The Vice Chancellor of Ed Services needs to be advertised because John Means is retiring. A General Counsel is retiring. We are doing an analysis

for contracting out for counsel. There was discussion as to Joe Grubbs looking at contracts from a risk management perspective as guidance because of his work with insurance carriers rather than offer legal opinions. The permanent CFO position may continue as a dual role for some time as we hire these other positions.

### **HEERF Summary**

HEERF has given us money and we are using them in institutional funds: RP373, RP391, & RP397 and student financial aid funds: RP377, RP394, RP317, TP910, TB911 and TB912. It comes in different ways with different reporting parameters. We have received \$95 million so far with \$57.5 million going out to students in financial aid. Our institutional portion is down to \$38 million. Students have received \$45.5 million in the last two years and there is \$12 million encumbered to go out to students in financial aid. We had 49,000 students over the last two years which averages to less than \$1,000 per student.

On the institutional side we spent \$10 million with .75 million currently encumbered. \$14 million is uncommitted but we do have projects that are coming up. We have about fifteen months to spend the HEERF monies. We have a job opening to be funded by HEERF to help with outdoor and construction projects to spend HEERF money appropriately. Examples include bipolar ionization units, improve outdoor spaces, adding shade structures with potential charging stations in outdoor environments so students can spend less time indoors. Some HEERF funds were spent on SID, captioning online events, recapturing students who have not finished their degree, professional development, and M&O did extra sanitization and installed partitions. Bad student debt will fall into this category as well as lost revenues. We have not charged for parking since the pandemic. We back filled for CDC & Food Services and three year averages for renting out spaces. There will be about two million in bad debt recovery by end of March 2022.

We are working with A&R & Financial Aid to eliminate ghost students. We are trying to wait as long as we can to disperse money to students in order to verify who our actual students are. Short term late start classes are targeted by bot programs disguised as students. Through CCC Apply, there has been work on eliminating ghost students. Additionally, the District Office has taken steps to help with this & Financial Aid is using a rinsing process to ensure accuracy of students versus ghost students.

RP397 can be used for anything that is COVID related. Examples included paid training for instructors for online teaching. Bipolar ionization was COVID related. Certain supplies such as hand sanitizer, masks, testing, and many items in Charles Colom area, SID going online, some software or licenses we purchased were COVID related. In certain instances we hired additional people because of increased workloads.

There is \$13 million in unencumbered funds which can be used for outdoor areas, tables with umbrellas or solar canopies with charging stations for student's phones. HVAC units were assessed and replaced in order to pump the amount of air needed and be more effective. This is a long term investment. Bad debt will be part of that too. We are looking at initiatives to engage lost students. If we have not spent the money, we will give it to students.

There was a discussion regarding Ed Ready which is a platform to mitigate gaps of high school students being ready for college. This situation was heightened to a larger degree for students to be college ready during the pandemic. A request could be made and reviewed. A link for Ed Ready will be sent to the Vice President of Instruction.

### **Standing District Budget Committee**

There was discussion looking at how to split out District Office expenses versus District wide expenses. This is part of a new budget allocation model. The District Office expenses use a flat rate expense and whatever the District brings in they would get a percentage. That percentage has to be decided. This is why we need to figure out what are District Office expenses versus District wide expenses.

Mike shared that he dug deeper into the allocation model and BC will not go down from 72% to 69% because he found an error in the calculation. He will continue to look at it, and is looking at R1 & P1, so we can get an updated model and have two years of information before making a decision.

There was discussion on an update on Distance Ed and how to allocate FTES for fully online courses. Title 5 has been updated therefore a scheduled Zoom class is the same rate as a face to face class. There is increased funding for asynchronous courses but not as much as face to face classes. We are incentivized for face to face courses. At this point, 66% of students currently want online courses. Reality used to be that students did not want online courses but after we shifted and made online courses work, students have worked it out in their lifestyle. They are taking less units but there is a better retention rate.

Hybrid courses are paid less and distance education lessens the amount we are paid. A hybrid definition is 50% face to face class time. To receive the full rate, classes have to be synchronous or by zoom.

There was a question regarding funding of online versus face to face classes: 16.5 week semester is not funded as fully as 17 or 18 week semester. The DE regulations were revamped and we got a boost in our FTS count because it was the way the hours were logged in with the 17.5 multiplier rate.

We are applying for BCSW to be a center and are looking at different models in how best to achieve this. It is a two year process to complete the application for BCSW to become a center. We are submitting a letter of intent in March 2022 and the application needs to be turned in during fall 2022. If we are awarded this status we will receive \$1.2 million.