



Kern Community College District
2021-2022 Tentative Budget
June 10, 2021

**BAKERSFIELD
COLLEGE**

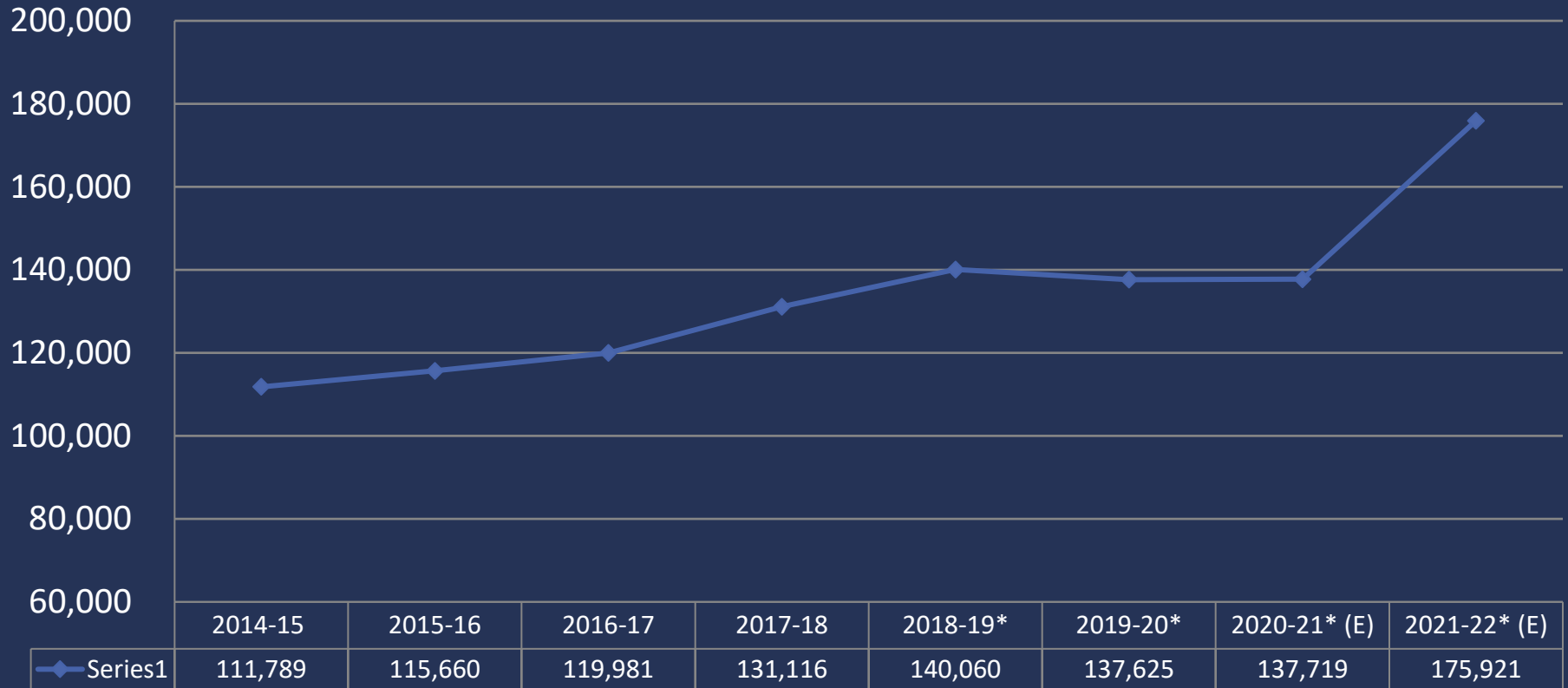


**PORTERVILLE
COLLEGE**



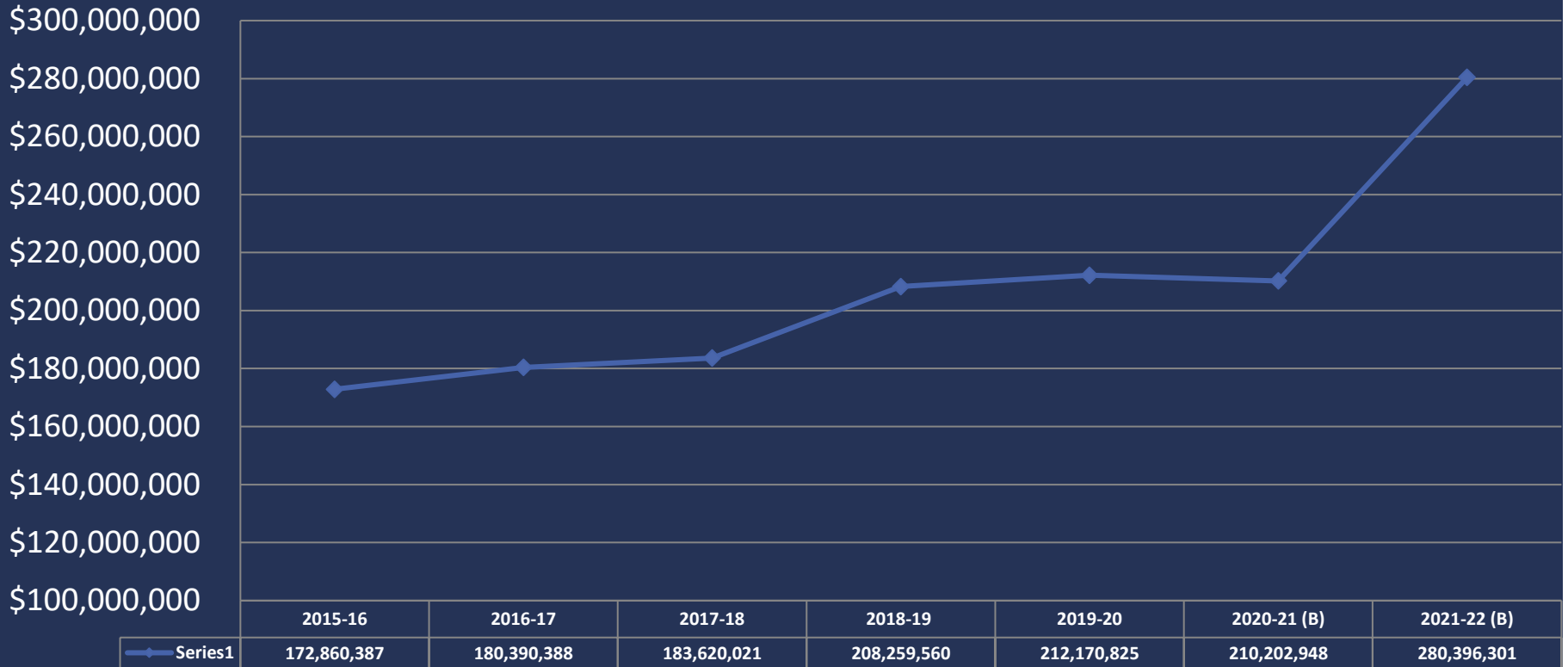
Kern Community College District

State General Fund Revenues & Transfers (\$ in millions)



Kern Community College District

Total KCCD General Fund Revenues



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- Governor Newsom’s revised budget proposal is mammoth and ambitious by design.
- Federal relief to individuals and businesses in recent months has boosted consumer spending, increasing sales tax revenues. Over \$25 billion in federal relief funds add to the state’s positive budget outlook for 2021-22.
- The state’s primary revenue sources—the personal income tax, sales tax, and corporate tax—have been coming in ahead of projections over the last several months, bringing in significantly more than the \$15 billion “windfall” that was anticipated in the Governor’s Budget released in January.

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Apportionments

- *COVID-19 Emergency Conditions Allowance* extended through 2021-22. Districts that opt in will be funded based on 2019-20 final FTES. Regardless of a district's election, actual FTES must be reported on the CCFS-320.
- The May Revision proposes a compounded cost-of-living adjustment (COLA) of 4.05 percent (total ongoing of \$296.5 million Proposition 98).
- Enrollment growth of 0.5% is proposed for SCFF.

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Apportionment Deferrals

- The equitable recovery plan calls for restoration of college resources.
- The Governor's May Revision pays Apportionment deferrals in full, a total of \$1.45 billion owed to CCCs.



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Apportionment Deferrals -- KCCD Cashflow Impact						
Months	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Total
Feb-21					\$ 13,930,436	\$ 13,930,436
Mar-21				\$ 9,150,948		\$ 9,150,948
Apr-21			\$ 8,403,182			\$ 8,403,182
May-21		\$ 8,254,214				\$ 8,254,214
Jun-21	\$ 14,391,889					\$ 14,391,889
Total	\$ 14,391,889	\$ 8,254,214	\$ 8,403,182	\$ 9,150,948	\$ 13,930,436	\$ 54,130,669
Based on 2019-20 Monthly Apportionment Cashflow						

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Community College Investment Themes

Restore Institutional Resources

Diversity, Equity, and Inclusion

College Affordability and Basic Needs

Pathways

Workforce

Pandemic Recovery

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Categoricals

- **Guided Pathways** - Proposes \$150 million one-time Proposition 98 to further support colleges' efforts to implement Guided Pathways programs. Also, provides \$100 million to support efforts to bolster CCC student retention rates and enrollment.
- **Dual Enrollment** – Provides \$75 million one-time to expand new and existing CCAP dual enrollment agreements between school districts and community colleges.
- **Student Equity and Achievement Program** - Proposes a base increase of approximately \$23.8 million or 5% ongoing augmentation.
- **Strong Workforce Program** - Proposes an increase of approximately \$12.4 million ongoing to increase program funding by five percent.
 - **High Road Training Partnerships and Regional Partnerships** - \$20 million one-time to support CCC participation in High Roads.
 - **Partnership with California Workforce Development Board** - proposes \$157 million one-time for a regional workforce investment uses existing regional consortia.

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Categoricals

- Student Housing. \$4 billion for construction or renovation of affordable student housing projects 60% for CCC, 30% for CSU, 10% for UC.
- The May Revision proposes an increase of \$20 million one-time Proposition 98 to support the implementation of EEO best practices.
- Provides \$5.8 million for Dreamer resource liaisons.
- Provides \$600,000 for Chancellor's Office coordination of antiracism efforts in the curriculum. Focused on alignment of ethnic studies requirement for CSU.

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State COVID-19 Grant Block Grant

- The May Revision proposes \$50 million one-time Proposition 98 General Fund grants to support transitioning back toward in-person education.

Higher Education Emergency Relief Fund (HEERF)

- HEERF III provides KCCCD an additional \$64 million one-time funds to support transitioning back toward in-person education through September 2023.
- HEERF II and III requires institutions to prioritize students with exceptional need. Can be used to cover unpaid student accounts receivable or other student account debt.
- HEERF II and III can be used to defray expenses associated with coronavirus and cover lost revenues associated with the COVID-19, such as enrollment fees and charges.

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Capital Outlay

- Approves Proposition 51 resources to support 9 new, 8 accelerated from FY22-23 Spending Plan, and 32 continuing capital outlay projects. Also approves the May Revision proposal to reappropriate funds for 16 projects.
- Revised State Capital Outlay Program
 - Category A (Life and Safety)
 - Category M (Modernization)
 - Category G (Growth)
 - Revised scoring metrics
 - Requires local contribution or hardship waiver

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CalPERS/CalSTRS

- California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) Rate increases in 2021–22.

CalPERS

2020-21 Prior Rate	New 2020-21 Rate	2021-22 Prior Rate	New 2021-22 rate
22.67%	20.7%	23.0%	22.91%

- The 2021-22 estimated rate will be approved at the CalSTRS meeting in June 2021.

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Other Provisions

- To address the backlog of deferred maintenance needs and projects is over \$1 billion, the May Revision provide \$314 million in one-time State funds and \$250 million in federal funds from American Rescue Plan Act of 2021 for deferred maintenance.
- Provides \$10 million in one-time funding to support the development and implementation of common course numbering across the system.
- Provide \$10 million ongoing for program pathways technology and program mapping.

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Kern Community College District 2021-22 General Fund Budget Summary							
Location: District Total							
General Unrestricted (GU001 & CE)							
Description	2021-22 Tentative Budget	2020-21 Adopted Budget	Change Inc./(Dec.)	Pct. Change	2020-21 Projected	Change Inc./(Dec.)	Pct. Change
Beginning Balance	100,973,539	94,182,563	6,790,976	7.21%	96,235,599	4,737,941	4.92%
Revenues							
<i>Federal</i>	603,990	731,926	(127,936)	-17.48%	731,926	(127,936)	-17.48%
<i>State</i>	107,597,849	102,130,435	5,467,414	5.35%	106,371,664	1,226,185	1.15%
<i>Local</i>	72,478,212	73,305,996	(827,785)	-1.13%	73,850,090	(1,371,878)	-1.86%
<i>Other Financing Sources</i>	5,000	10,000	(5,000)	-50.00%	1,142,540	(1,137,540)	-99.56%
Total Revenue	180,685,051	176,178,358	4,506,693	2.56%	182,096,220	(1,411,169)	-0.77%
Expenditures							
<i>Academic Salaries</i>	65,319,871	65,094,539	225,332	0.35%	65,283,311.04	36,560	0.06%
<i>Classified & Other Non-academic Salaries</i>	33,412,224	31,527,009	1,885,214	5.98%	31,527,009.37	1,885,214	5.98%
<i>Employee Benefits</i>	40,453,894	38,348,575	2,105,319	5.49%	38,348,575.46	2,105,319	5.49%
<i>Supplies & Materials</i>	3,339,515	3,245,847	93,668	2.89%	3,245,847.28	93,668	2.89%
<i>Service/Utilities/Operating Exps.</i>	26,928,973	24,446,838	2,482,135	10.15%	25,741,758.01	1,187,215	4.61%
<i>Capital Outlay</i>	5,191,833	2,496,334	2,695,499	107.98%	5,071,685.75	120,147	2.37%
<i>Other Outgo</i>	6,079,746	6,080,964	(1,219)	-0.02%	6,080,964	(1,219)	-0.02%
<i>Transfers Out</i>	717,000	557,000	160,000	28.73%	2,059,129	(1,342,129)	-65.18%
Total Expenditures and Other Outgo	181,443,055	171,797,107	9,645,949	5.61%	177,358,280	4,084,775	2.30%
Ending Balance (Reserves)	100,215,535	98,563,815	1,651,720	1.68%	100,973,539	(758,004)	-0.75%
Projected Change in Fund Balance (Reserves)	(758,004)	4,381,251	(5,139,256)	-117.30%	4,737,941	(5,495,945)	-116.00%

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2021-22 General Fund – Unrestricted Fund Balances

Unrestricted Reserve Analysis (GU & CE)	Beg Balance	End Balance	Net Change
GU001 Unrestricted			
Bakersfield College	23,662,394	22,662,394	(1,000,000)
Cerro Coso Community College	6,001,860	7,296,335	1,294,475
Porterville College	7,051,267	7,907,623	856,356
District Wide	63,814,128	62,053,110	(1,761,018)
Total GU001	100,529,649	99,919,463	(610,186)
Contract Education Unrestricted			
Bakersfield College	173,229	-	(173,229)
Cerro Coso Community College	400	-	(400)
Porterville College	-	-	-
District Operations	270,261	296,073	25,812
Total Contract Education	443,890	296,073	(147,818)
Total Unrestricted Fund Balances	100,973,539	100,215,535	(758,004)

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**Projected Unrestricted Ending Fund Balance
\$100 million or 55.84%**

- **Unallocated District Wide = \$62.0 million**
- **Colleges = \$37.9 million**

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Compliance Tests

- General Unrestricted Fund Salaries and Benefits
 - > Goal less than 80%; Projected 2021-22 = 77.1%
- Goal 15% Unallocated District wide Reserve (Does not include 5% per College Reserve)
 - > Projected 2021-22 = 34.68%

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Compliance Tests

• Projected 50% Law Calculation	52.06%
• Projected Fall 2021 Full Time Faculty	416.80
Less FON*	<u>- 457.00</u>
Over/Under FON 2021	<u><u>40.20</u></u>

*Fall 2022 FON (2019-20 R1) is projected at 465.8

*The compliance FON is the lower of the FON calculated at Advance or at the second principal apportionment.

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Potential Threats to KCCD Budget **Assumptions**

Fiscal Impact of Pandemic – COVID-19 Surge requiring a shut down resulting in decreased state revenue.