



**District Committee on Budget & Finance
April 19, 2022**

Zoom, 1:30 – 3:30 p.m.

Attendees: Diana Castro, Daryan Chan, Mary Chries Concha Thia, Judy Hutchinson, Steven Lehigh, Vincent Li, Bernata Slater, and Richard Storti

Absent: Tony Burolla, Tania Farjat, Nick Kapp, Joe Morello, Micaela Ochoa, Ludmila Prisecar, Chantal Sosa, and Max Wong

Guests: Roxanne Brewer, Paul Cassidy, Peter Fitzsimmons, and Danielle Vlahos

Called to order at 1:33 p.m.

1. FY 2022-23 Budget Assumptions Update

Fitzsimmons reviewed the budget assumption changes (noted below) since February 2022 with the committee, which were emailed to the committee prior to the meeting.

- FTES projections have changed given the recent completion of the 2021-22 CCFS-320 P2. The campuses will be reviewing the projections based upon the P2 Report and providing updates as appropriate.
- The COLA (Total Compensation) continues to increase based upon property tax projections. He reminded the committee that this is a very rough districtwide estimate and will be refined in July per employee group.
- Assessed Valuation, which drives property taxes, has increased by almost 1%.

Storti inquired about the year-over-year assessed valuation comparison. Fitzsimmons advised that as of today assessed valuation is at 6.53% and that at this time last year assessed valuation was at 4.35%. Slater advised that last year ended at 4.16%. Fitzsimmons explained that the roll tracker (the tool used to track assessed valuation) goes dark in mid-June. The Assessor's Office provides a report in July with the final number. Slater reminded the committee that it takes approximately a 4% increase to cover year-over-year personnel cost increases. Slater concluded by reminding the committee that assessed valuation appeals by property owners also impacts the valuation totals.

Lehigh and later by Concha asked if the 3.17% for COLA considers compensation increases (e.g., STRS/PERS increases, step/column costs, etc.) to which Fitzsimmons responded in the affirmative. Slater advised that part of the process for the final COLA per employee group that will be known in July considers a prior-year true-up. Storti asked if that has been evaluated yet to which Fitzsimmons responded that it had not. Slater concluded by advising that the Step/Column assumption of 1% will be evaluated to which Fitzsimmons interjected that it is likely closer to 1.5% given the demographics of the District's employee base. Lehigh inquired about how non-represented employees are handled within the Total Compensation Formula. Fitzsimmons explained that these employees from a formulaic perspective are handled the same way as the represented employees; however, each non-represented employee group is calculated separately based upon that groups attributes (e.g. STRS vs. PERS) and then combined with a weighted average. For example, one non-represented employee group may be 4% and another may be 3%; however, they may all receive 3.25% based upon the weighted average.

The budget assumptions provided were:

	FY22-23			
	CSM	Canada	Skyline	District
Resident FTES	-3.91%	0.00%	-0.52%	-1.72%
Out-of State FTES	-12.65%	0.00%	-1.53%	-5.96%
Apprenticeship FTES	12.82%		0.00%	12.49%
International FTES	20.77%	0.00%	14.59%	14.77%
State Inflation Factor (COLA)				5.33%
State Growth / Workload Reduction				0.50%
California CPI				3.69%
COLA (Total Compensation)				3.17%
Property Tax Increase				6.29%
Lottery per FTES				\$163
Mandated Cost (Block Grant) per FTES				\$32.31
Non-Resident Tuition per Unit				\$290
Resident Tuition per Unit				\$46

2. FY 2022-23 Site Allocations Update

Fitzsimmons reviewed the updates to the site allocations since March 2022, which were emailed to the committee prior to the meeting. He noted that revenues have increased; however, the site allocations have decreased since the last snapshot primarily due to the salary commitments receiving 80% of year-over-year property tax increases and the balancing of the Parking Fund in late March 2022. That being said, the site allocations have increased by \$8.1 million from 2021-22 as of today.

Slater noted that the Parking Fund is balanced conservatively and will be updated as more information is known. She also advised that SB893 may impact the Parking Fund if the Board of Trustees takes action to no longer assess a parking fee. Fitzsimmons advised that the current projections for parking revenues is 60% of FY 2018-19 and will be refined once Spring 2022 revenues are known. He conclude by stating that the Site Allocations will continue to ebb and flow through July leading to the adopted budget. Slater supported this statement by reminding the committee that utility costs are still being evaluated and that the District won't receive next year's insurance premiums until May or June as examples of the movement in the site allocations.

The site allocation snapshot and comparison to the prior snapshot is below:

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
REVENUE AND EXPENDITURE ASSUMPTIONS - FUND 1**

	a/o 03.10.22 FY2022-23 Tentative	a/o 04.14.22 FY2022-23 Tentative	Difference
REVENUE			
<u>Local</u>			
Property Taxes			
Base Revenue	\$ 183,792,288	\$ 185,610,793	\$ 1,818,505
Redevelopment Agency	15,571,102	14,615,479	\$ (955,623)
Student Fees			
Enrollment Fees (\$46)	8,054,706	7,888,101	\$ (166,605)
Out-of-State Non-Resident	2,245,588	2,035,730	\$ (209,858)
International Non-Resident	4,053,620	4,150,335	\$ 96,715
Interest	2,500,000	2,500,000	\$ -
Other	356,802	356,802	\$ -
<u>State</u>			
Proposition 30/55	1,284,285	1,299,219	\$ 14,934
Lottery	2,135,334	2,158,210	\$ 22,876
F/T Faculty Allocation	3,402,618	3,402,618	\$ -
P/T Faculty Parity	300,308	300,308	\$ -
P/T Faculty Office Hours / Medical	726,915	726,915	\$ -
Apprenticeship	516,343	516,343	\$ -
Mandated Costs	394,625	404,776	\$ 10,151
STRS On-Behalf	4,488,329	4,488,329	\$ -
Estimated Total Revenue	\$ 229,822,863	230,453,958	\$ 631,095
EXPENDITURES			
<u>Site Allocations</u>			
Canada College	\$ 34,984,552	\$ 34,648,406	\$ (336,146)
College of San Mateo	54,191,357	53,630,503	\$ (560,854)
Skyline College	57,366,242	56,782,532	\$ (583,710)
District Office	22,401,718	22,788,073	\$ 386,355
Facilities	18,604,053	18,468,106	\$ (135,947)
Subtotal	\$ 187,547,922	\$ 186,317,620	\$ (1,230,302)
<u>Districtwide Allocations</u>			
Benefits / Mid Yr Inc / Savings	250,000	250,000	\$ -
STRS On-Behalf	4,488,329	4,488,329	\$ -
College-Generated Revenues	246,572	229,783	\$ (16,789)
Strategic Initiatives	2,000,000	2,000,000	\$ -
Apprenticeship	516,343	516,343	\$ -
Miscellaneous	1,889,587	1,892,755	\$ 3,168
Utilities	5,167,308	5,184,570	\$ 17,262
Salary Commitments	8,780,546	9,554,029	\$ 773,483
Managed Hiring	250,000	250,000	\$ -
Insurance	3,068,656	3,060,687	\$ (7,969)
Consultant / Legal / Election	1,285,000	1,285,000	\$ -
Staff Development	819,528	819,528	\$ -
Districtwide Technology	5,045,472	5,045,472	\$ -
PT Fac. Office Hours / PT Fac. Medical	3,400,000	3,400,000	\$ -
Transfers Out	4,987,603	6,079,847	\$ 1,092,244
Museum of Tolerance	80,000	80,000	\$ -
Estimated Total Expenditures	\$ 229,822,866	\$ 230,453,963	\$ 631,097

3. HEERF Spending Status Update

Fitzsimons reviewed the expenditures-to-date, including available balances (see below), which were emailed to the committee prior to the meeting. He advised that the original spend-down date of May 2022 was extended by a year by the Federal Government.

	AVAILABLE BALANCE				
	MSI	HEERF I	HEERF II	HEERF III	
CAN	\$ 157,272	\$ -	\$ 127,448	\$ 918,980	\$ 1,203,700
SKY	\$ 384,859	\$ -	\$ 406,505	\$1,967,952	\$ 2,759,316
CSM	\$ 509,010	\$ -	\$ 358,774	\$1,051,915	\$ 1,919,699
DW	\$ -	\$ -	\$ -	\$ -	\$ -
	\$1,051,141	\$ -	\$ 892,727	\$3,938,847	\$ 5,882,715

4. CCFS-320 P2 Report

Slater reviewed the reports that were emailed to the committee prior to the meeting. She advised that each college provides their data. The cumulative results indicate that resident enrollment has decreased by 1,600 FTES (or 11%) from the prior year led by Skyline, then Canada, and CSM. Non-residents FTES (out-of-state and international) enrollments are down as well with a 10% and 21% decline for out-of-state and international FTES respectively. She went on to state that some of the revenue losses for resident enrollment declines were buttressed with HEERF Institutional Funds. Overall revenue losses will be evaluated at year-end. Fitzsimmons advised the committee how to find the resident and non-resident total at the college level. Lehigh inquired in the Chat if enrollment in the GOL program are included in the international FTES and accounted for at the college level to which Slater replied in the affirmative.

Hutchinson inquired about how the online consortium may impact enrollments and shared the following in the Chat: <https://cvc.edu/about-the-oie/>. Lehigh stated (in the Chat) that the exchange benefits students by allowing them to enroll in transfer courses not currently available at their home college to complete their general education requirements, including those looking to transfer to a four-year university – all without needing to fill out a separate application for each college. Continued dialogue in the Chat surmised that a student would have to get clearance from their home school before enrolling; however, there is a question about how this may be enforced. Lehigh concluded by stating in the Chat that he opines that the goal is to increase access to courses where they may not be available and not for districts to poach enrollment from others.

5. May 2022 Meeting Reschedule

The May DCB&F Meeting scheduled for May 17, 2022, conflicts with the ACBO Spring Conference, which is attended by the business / administrative service office personnel. Accordingly, there was a discussion about rescheduling or cancelling the May meeting. Slater advised that normally the May meeting is canceled because of the final exams, the end of the spring semester, and the conflict with the conference. A decision was made to cancel the May meeting and that the committee members would receive via email the following:

- Update on May Revise
- Site Allocation Update informing the Tentative Budget
- The Tentative Budget Report

Fitzsimmons confirmed with the committee that the FY 2022-23 meeting dates will remain the same as this year's (i.e. third Tuesday between 1:30 p.m. and 3:30 p.m.) to which the committee responded in the affirmative.

6. RA Review Status Update

Storti advised that the last meeting the taskforce looked at the model from SJECCD and there will be continued discussion on this and the application of the SCFF (the South Orange Model, which allocated excess property taxes towards capital outlay in lieu of seeking a voter-approved bond authorization). This will lead to a discussion on whether to revise or replace the existing model. Concha Thia confirmed that other models are being reviewed to which Storti replied in the affirmative.

7. Public Comments / Future Agenda Items

See Agenda Item #5.

8. Next Meeting: September 20, 2022

Meeting adjourned at 2:25 p.m.