



**District Committee on Budget & Finance  
September 21, 2021**

**Board Room / Zoom, 1:30 – 3:30 p.m.**

**Attendees:** Eloisa Briones, Diana Castro, Daryan Chan, Mary Chries Concha Thia, Tania Farjat, Judy Hutchinson, Nick Kapp, Steven Lehigh, Vincent Li, Micaela Ochoa, Ludmila Prisecar, Bernata Slater, Richard Storti, and Max Wong

**Absent:** Tony Burolla, and Nick Kapp

**Guests:** Paul Cassidy, Jia Chung, Peter Fitzsimmons, Joe Morello, and Chantal Sosa

**Called to order at 1:35p.m.**

**1. Introductions**

Participants introduced themselves including their position within the District. There are new members to the committee this fiscal year. Storti introduced himself as the new chair of the committee and the District's Executive Vice Chancellor of Administrative Services succeeding Kathy Blackwood. Chan introduced himself as Partlan's successor, representing the Cañada College's Academic Senate. Morello introduced himself as Briones' successor as the Vice President of Administrative Services for Skyline College when she retires later this calendar year. The committees' new student members introduced themselves and provided their their major and if they were first or second year students.

**2. Charge of the Committee**

Slater reviewed the charge of the committee. She advised that the Chancellor and Board of Trustees have a desire for a review/revision of/to the resource allocation model, which is within the scope of responsibilities of the committee. The task is on the agenda under future agenda items.

**3. FY 2020-21 CCFS-320 Annual Report**

Fitzsimmons reviewed the report (which he emailed to the committee members prior to the meeting) with the participants. He reminded the committee that this report is the annual (year-end) report (PA / P3). In January (P1) and April (P2), the District also submits annualized reports. There is a fourth opportunity in October of each year to submit a revision to the annual report if for whatever reason the FTES data has changed since July when the annual report is submitted. As a Basic-aid District FTES does not drive general apportionment; however, the District does receive funding based upon FTES [e.g., mandated cost block grant, Education Protection Account (EPA from Proposition 55, which was formerly Proposition 30), lottery, etc.].

Storti expanded on the fact that the District also receives funding for physical plant (scheduled maintenance) and instructional equipment (PPIS) driven by FTES. This fiscal year the State has apportioned \$7.6 million in one-time funds to the District, which is exponentially more than prior years

and is a result of the State's one-time revenue surplus. To put this into perspective, normally the District is apportioned \$0 to a couple hundred thousand dollars annually.

Briones asked how the FTES compared to the projected FTES. Fitzsimmons stated that he will compile the data and will email the analysis to the committee members.

#### **4. FY 2021-22 Adopted Budget**

Fitzsimmons previously emailed the Adopted Budget Document to the committee members, which is on the District's Website and in the Board of Trustees' meeting agenda for September 9, 2021. Slater reviewed the presentation (slides) with the committee that she provided to the Board of Trustees at their meeting of September 9, 2021. Fitzsimmons advised the committee members should expect to receive the slides via email.

Fitzsimmons stated that the gap between the STRS and PERS benefit rates are a significant external influence on the District's compliance with the 50% Law. There was a robust conversation about the OPEB Irrevocable Trust. Lehigh inquired if the liability included active employees. Slater responded that they are considered. He then asked about the need for the 3% self-assessment (service charge), which is contained within the composite fringe benefit rate and is considered in the total compensation formula, given that the actuary has determined (noting the determination is a point-in-time and subject to change) that the liability associated with Other Post Employee Benefits is fully (or over) funded. Slater responded that the total compensation formula is a different conversation than the funding status of the liability; however, the need to continue the self-assessment is because there are active employees who will enjoy this benefit upon retirement. Additionally, future employees of the District are currently eligible for this benefit. Fitzsimmons reminded the committee members that Fund 1 no longer directly pays the "pay-as-you-go" payments for retiree benefits and the self-assessment was 5%. This is a direct result of the current funding status. Cassidy noted the positive return on investment from the prior year and reminded the committee members of market volatility, which could result in a negative return on investment. Slater concurred and advised that in March 2020 at the onset of the pandemic, the assets in the trust declined by \$20 million. The assets have since rebounded. Storti agreed and stated that it is important to ensure that there are adequate funds for this valued employee benefit.

#### **5. Public Comments**

Slater asked the committee for consideration to cancel or reschedule the October meeting due to scheduling conflicts. Fitzsimmons reminded the committee members that for the past two years the October meetings were cancelled and that he would email a poll to the members to ascertain if the majority wanted to cancel or reschedule.

#### **6. Next Meeting:** October TBD, 2021 or November 16, 2021 (see Item #5).

**Meeting adjourned at 2:50 p.m.**