



**District Committee on Budget & Finance
April 18, 2023**

Zoom, 1:30 – 3:30 p.m.

Attendees: Mary Chries Concha Thia, Anthony Djedi, Judy Hutchinson, Nick Kapp, Steven Lehigh, Vincent Li, Stephanie Martinez, Joe Morello, Gerardo Pacheco, Ludmila Prisecar, Richard Storti, Paola Tagashira, and Chi Chi Wai

Absent: Tony Burolla, Anthony Chumpitazi, and Bernata Slater

Guests: Arlene Calibo, Paul Cassidy, Peter Fitzsimmons, Daman Grewal, and Michele Rudovsky

Called to order at 1:34 p.m.

1. FY 2023-24 Site Allocations Update

Fitzsimmons reviewed the updated site allocation document that was previously emailed to the committee members. Revenues increased by \$2,274,122 since the last update. The allocation for SB893 decreased based upon the recent policy adopted by the Board of Trustees with other minor districtwide adjustments. These changes have resulted in an increase of \$4,167,861 to the site allocations.

Fitzsimmons reminded the committee members that the numbers will continue to be refined as new information is received. The site allocations will lock in mid-May to inform the FY 2023-24 Tentative Budget and then re-open in June and lock again in mid-July to inform the FY 2023-24 Adopted Budget. Another update will be provided to the committee at their next meeting.

Lehigh asked about how the assessed valuation applies to the Resource Allocation Model (RA). Fitzsimmons advised that the assessed valuation, which is currently 5.18%, is multiplied by the current year projected property taxes. In essence, there are two changing numbers – the multiplier and what is being multiplied. Fitzsimmons illustrated this via the property tax tab on the RA.

Storti inquired where assessed valuation was at this point in time last year. Fitzsimmons advised that assessed valuation was at 7.58% at this point in time last year. The District is currently anticipating an assessed valuation increase of 7% once the County Assessor locks the roll tracker in July 2023. Currently year-over-year property taxes are projected to increase \$10 million and will increase to \$14 million with 7%, assuming that FY 2022-23 projections come to fruition. Fitzsimmons reminded the committee that it takes about a 4% year-over-year increase to fund added operation costs such as personnel cost increases.

Storti opines that given the news with regards to State revenues, that the State COLA for FY 2023-24 will decrease. More information will be known after the Governor releases his May Revise next month.

2. FY 2022-23 CCFS-320 P2 Report

Fitzsimmons reviewed the report that was previously emailed to the committee members. Resident FTES is forecasted at 12,581.46 and non-resident FTES is forecasted at 1,038.39. This is up 42.20 resident FTES and 65.48 non-resident FTES from the P1 report in January. A final report will be submitted in July to the State Chancellor's Office. Overall enrollment for FY 2022-23 is projected to increase 1.8% over FY 2021-22. The colleges are in the process of refining their projections for FY 2023-24 based upon this latest report, which will inform certain revenue streams in the resource allocation model.

Fitzsimmons advised the committee that first segment of the report represent the district-wide numbers followed by each of the colleges in the same format as the district-wide numbers.

3. Facilities Update

Rudovsky reviewed the presentation that was previously emailed to the committee members.

With regards to student housing, Rudovsky mentioned that the District received a planning grant of \$200,000 via Round 1 of the State's funding process. The District was ranked five out of 21 for its grant application to build student housing at CSM via Round 2 of the State's funding process and is awaiting a decision from the State with regards to funding this application. Kapp confirmed that this was five out of 21 community college districts and did not include the other two segments of higher education. The afore-mentioned grant application was for \$55 million from the State coupled with the District match of \$10 million for a total project of \$65 million project. The District has until July 3, 2023, to submit another application for student housing at Skyline College for consideration via Round 3 of the State's funding process. Rudovsky emphasized that student housing is for all students regardless of the location of the student housing facility.

Tagashira mentioned that not many students use electric vehicles with regards to the \$300,000 project contained within the facilities update. Rudovsky commented that the State is pressuring all districts to reduce their carbon footprint. By 2035, the State has mandated the ceasing of the sale of combustion engine vehicles. Accordingly, it is important to have the infrastructure in place ahead of time. Storti asked what the average cost of replacing existing stations versus what is the average cost of installing new stations. Rudovsky responded that the replacement cost is between \$5,000 to \$10,000 for a regular charging station and the fast-charging stations are around \$20,000. She went on to mention that pricing is declining due to increased competition. The installation of new stations is much more expensive because the installation requires infrastructure leading to the new charging station. Storti stated that the District is planning to install about 20 new stations while looking into the future with regards to sustainability. Rudovsky noted that the District is a sustainability leader and the price of electric vehicles is decreasing. Storti would like to see an expansion of solar arrays to provide electricity for the charging stations, as well as, to reduce the District's carbon footprint. Storti concluded by stating that the District is exploring other funding opportunities to expand the electric vehicle charging station expansion initiative.

Pacheco inquired about the solar farm at Canada College. Specifically, he asked where the energy produced is going and who is benefiting from the solar panels; and what are the future plans to address power outages at Canada College. Storti responded that the solar farm mitigates the electricity costs consumed by the college, which lowers utility bills. In years past, the return on investment for solar farms was not as desirable as it is currently due to better technology. That being said, solar arrays still

have significant up-front costs and he repeated his desire for the expansion of solar arrays throughout the district. Rudovsky advised that the District conducted a solar feasibility study with the goal of the District being fully energy self-sufficient in the future. Prisecar reiterated the importance of energy storage to mitigate against power outages. Rudovsky replied that this is being looked into because battery technology is advancing and is becoming a more feasible option for continuity of operations.

Concha Thia – via chat room – inquired about the \$4 million of the \$12 million of scheduled maintenance allocated for technology. Storti reminded the committee that \$6 million of the \$12 million in scheduled maintenance / instructional equipment categorical funds for FY 2022-23 was swapped with the colleges to fund SB 893 for FY 2022-23. Two colleges elected instructional equipment (\$4 million) and one college elected scheduled maintenance (\$2 million).

4. Technology Update

Grewal reviewed the presentation that was previously emailed to the committee members. Storti mentioned that this presentation along with the presentation from Rudovsky is meant as an opportunity for the committee members to have an understanding of what is being planned for the future.

5. RA Review Status Update

Storti advised that the workgroup hasn't met in a while and, for the most part, their work is done. The next steps are to share the proposed revisions to the RA district-wide in an effort to seek additional input before any recommendations are implemented.

6. Public Comments / Future Agenda Items

Storti reviewed the proposed agenda items located in the parking lot for May and September.

7. Next Meeting: May 16, 2023

Meeting adjourned at 2:32 p.m.