



**District Committee on Budget & Finance
May 16, 2023**

Zoom, 1:30 – 3:30 p.m.

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

Absent: Tony Burolla, Anthony Chumpitazi, and Steven Lehigh

Guests: Paul Cassidy and Peter Fitzsimmons

Called to order at 1:33 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 \$1,596,452 since the last update. There were also minor adjustments to the districtwide allocation. These changes have resulted in an increase of \$1,672,615 to the site allocations.

Fitzsimmons advised the committee members that these are the final numbers to inform the FY 2023-24 Tentative Budget; however, the numbers will continue to be updated through mid-July to inform the FY 2023-24 Final Adopted Budget.

2. May Revise

Referencing the synopsis of the Governor's May Revise from School Services, Storti stated that the Governor's revised proposal for the FY 2023-24 State Budget is reflective of diminished resources and an economic downturn.

Storti went on to highlight the following:

- **COVID Recovery Block Grant:** The Governor is proposing a 57% reduction to the FY 2022-23 allocation. Slater quantified this by stating that the District's allocation will decrease approximately \$5 million from \$9.3 million to approximately \$4.3 million. He went on to state that the District's intention was to take a spending plan for the \$9.3 million; however, given the May Revise that this will be placed on hold until the final allocation from the State is known. Pacheco confirmed that the funds had not yet been used and inquired as to what programs may be harmed by this reduction. Storti responded that the colleges will have to refine their plans based upon a reduced allocation and highlighted some of the allowable expenditure types, which are mostly aligned with the Federal HEERF funds to provide relief associated with the pandemic.
- **Physical Plant (a.k.a. deferred/scheduled maintenance) and Instructional Equipment:** Similar to the COVID Recover Block Grant, the Governor is proposing over a 50% reduction to the FY 2022-23 allocation, which was originally over \$11 million. Fitzsimmons advised that the revised allocation would be approximately \$5.5 million.

- COLA: The State COLA increased slightly to 8.22%. Although the District is community supported (i.e., Basic Aid), the District will receive COLA for certain categorical programs.
- Capital Improvement Projects: The District submitted an application for the State to fund a 304-bed facility located at CSM for student housing. This application ranked fifth out of 21 applications. The May Revise as proposed funds the first six projects. Accordingly, the District is slated to potentially receive \$57 million to construct this facility.

Slater advised the committee that the \$200 million that the Governor proposed in January 2023 for Student Retention and Enrollment has been reduced by 50% to \$100 million for FY 2023-24. She also highlighted that the Governor is proposing flexibility amongst three categorical programs, which will allow the colleges to move resources amongst these programs. She concluded by opining that the May Revise isn't a worst-case scenario for higher education given the State's current economic situation and the fact that tax collection deadlines have been pushed back from April to October, creating further uncertainty.

Fitzsimmons shared that current assessed valuation is at 5.49% and that the earlier projection of 7% has been reduced to 6.5%. He went on to state that the number of appeals have quadrupled in the past year, which creates risk for the District given its basic aid status. That being said, Proposition 8 allows for a rebounding in assessed valuation beyond Proposition 13 caps in subsequent years if the market rebounds.

Cassidy confirmed that the Student Success and Completion Grant is separate and distinct from the Student Equity and Achievement Program.

3. FY 2023-24 Tentative Budget Update

Slater stated that the Board of Trustees receive an update in April and will adopt the Tentative Budget at their meeting in June. Fitzsimmons advised that he will email the tentative budget to the committee once complete.

4. Public Comments / Future Agenda Items

Storti reviewed the proposed agenda items located in the parking lot for September and October. He asked the committee to email him, Slater, or Fitzsimmons if any member wanted to add any items for consideration. Slater thanked the committee members for their participation this year.

5. Next Meeting: September 19, 2023

Meeting adjourned at 2:05 p.m.