



**District Committee on Budget & Finance
February 21, 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, Bernata Slater, and Chi Chi Wai

Absent: Tony Burolla, Anthony Chumpitazi, Richard Storti, and Paola Tagashira

Guests: Paul Cassidy and Peter Fitzsimmons

Called to order at 1:35 p.m.

1. FY 2022-23 Mid-Year Budget Report

Slater reviewed the document previously emailed to the committee members, which will be presented to the Board of Trustees at their meeting of February 22, 2023. She noted that State revenues are not projected to be as robust. Accordingly, there is not a lot of new initiatives and funding being proposed. Fitzsimmons noted a correction in the physical plant (scheduled/deferred maintenance). The reduction of \$240 million will be this year with \$11 million in new money and \$14 million from unspent prior years. Prisecar sought clarification to which Fitzsimmons reiterated the afore-mentioned. She also inquired how the reduction to this year would be addressed. Slater responded that a decision had not been made and we are awaiting information on what the District's revised allocation will be and spoke to the \$6 million that was "swapped" with this resource to fund SB893 for Spring 2023. Lehigh asked in the "chat" where this budget was budgeted to which Fitzsimmons responded in the "chat" that this is budgeted in Fund 4 – the Capital Outlay Fund. Slater highlighted the PERS rate increases, which will make compliance with the 50% Law more challenging. Lehigh inquired as to the costs to which Fitzsimmons responded that the variance is about \$1.4 million for 2023-24, meaning that there will likely be an additional \$1.4 million on the non-instructional side of the equation. Slater noted the property tax assumption of 7% and that as of today, assessed valuation is at 4.69%. Slater highlighted the financial activities with regards to the auxiliary services. Fitzsimmons noted the discrepancy in the tables with regards to the Canada College Athletic Center. Fitzsimmons will email the corrected version of the report to the committee members.

2. FY 2023-24 Board Initiatives / Goals

On behalf of Storti, Slater reviewed the 2023-24 Initiatives as noted below.

- ▶ SB893 Free College Initiative
 - ▶ \$10M in ongoing funds
- ▶ Promise Scholars Program
 - ▶ Foundation \$400K
 - ▶ Housing Fund 300K
 - ▶ State Resources (AB19) \$1.6 million
- ▶ \$1M Food Insecurity Initiative
- ▶ COVID-19 mitigation/Emergency Response
 - ▶ One-time sites carryover (estimated \$2M)
 - ▶ No additional HEERF or State funding

Slater mentioned the various proposals on SB893 and the associated costs that were presented to the Board of Trustees at the retreat in February 2023. Further Board discussions will be had leading to the Fall 2023 program; however, currently the budget allocation is \$10 million for SB893.

- ▶ COVID-19 mitigation/Emergency Response (continued)
 - ▶ State COVID-19 Recovery Block Grant carryover
 - ▶ \$9.3M in one-time funds received in FY 2022-23
 - ▶ Funds are intended to be used on activities that directly support community colleges students and mitigate learning losses related to the impacts of the COVID-19 pandemic:
 - ▶ Discharge unpaid fees due or owed by students
 - ▶ Support access to basic needs and mental health services for students impacted by COVID-19 and provide direct emergency grants to students in need or learning tools (such as laptops)
 - ▶ Increase online student service hours to evenings and weekends
 - ▶ Reengagement strategies with high schools and local communities to restore broader access
 - ▶ Investments in information technology infrastructure, facilitating students' access to technology to be able to access online coursework; and technology, software, or other electronic instruments and materials for faculty to support courses that are difficult to teach online
 - ▶ Cleaning supplies and personal protective equipment
 - ▶ Professional development and other COVID-19 pandemic-related expenses

Slater advised the committee members that a presentation on the COVID-19 Recovery Block Grant will be made to the Board of Trustees at their meeting tomorrow.

3. FY 2023-24 Preliminary Budget Assumptions

Fitzsimmons reviewed the assumptions that were previously emailed to the committee members as noted below. He advised that assessed valuation is currently at 4.69%; however, the District is estimating 7% at year end. He noted that the assumptions will be updated as more information becomes available.

	FY23-24			
	CSM	Canada	Skyline	District
Resident FTES	-0.02%	0.00%	1.77%	0.69%
Out-of State FTES	0.00%	0.00%	-25.88%	-10.02%
Apprenticeship FTES	0.00%		694.70%	11.88%
International FTES	27.31%	0.00%	18.42%	19.77%
State Inflation Factor (COLA)				8.13%
State Growth / Workload Reduction				0.50%
California CPI				3.44%
COLA (Total Compensation)				5.00%
Property Tax Increase				7.00%
Lottery per FTES				\$170
Mandated Cost (Block Grant) per FTES				\$35.34
Non-Resident Tuition per Unit				\$358
Resident Tuition per Unit				\$46

4. FY 2023-24 Preliminary Site Allocations

Fitzsimmons reviewed the preliminary numbers that were previously emailed to the committee members as noted below. He advised that these numbers will continue to move into July 2023 as we advance towards the 2023-24 Adopted Budget to be approved by the Board of Trustees in September 2023. Concha Thia inquired as to the year-over-year differences, which is not displayed. Fitzsimmons confirmed that the site allocations are currently lower than the current year primarily because of the increase in districtwide allocations, which for the most part goes back to the sites. Prisecar and Lehigh inquired about the salary commitment allocation. Fitzsimmons responded that this line is an attempt to provide resources for a 5% burdened COLA and the increased cost of personnel. He confirmed that this is compounded since the 2022-23 COLA has not settled for all groups.

a/o 02.16.23

**FY2023-24
Tentative**

REVENUE

Local

Property Taxes	
Base Revenue	\$ 195,154,854
Redevelopment Agency	17,588,422
Student Fees	
Enrollment Fees (\$46)	8,864,581
Promise Scholars	-
Out-of-State Non-Resident	1,975,342
International Non-Resident	5,471,314
Interest	2,000,000
Other	253,961

State

Proposition 55	1,254,741
Lottery	2,317,486
F/T Faculty Allocation	3,476,591
P/T Faculty Parity	287,293
P/T Faculty Office Hours / Medical	567,438
Apprenticeship	638,661
Mandated Costs	446,195
STRS On-Behalf	6,180,422

Estimated Total Revenue 246,477,300

EXPENDITURES

Site Allocations

Canada College	\$ 33,449,985
College of San Mateo	52,289,837
Skyline College	55,238,839
District Office	22,324,615
Facilities	17,711,296
Subtotal	<u>\$ 181,014,572</u>

Districtwide Allocations

Benefits / Mid Yr Inc / Savings	\$ 250,000
STRS On-Behalf	6,180,422
College-Generated Revenues	281,962
Strategic Initiatives (SB893)	10,000,000
Apprenticeship	638,661
Miscellaneous	5,180,120
Utilities	7,130,744
Salary Commitments	12,319,416
Managed Hiring	250,000
Insurance	3,047,780
Consultant / Legal / Election	785,000
Staff Development	803,838
Districtwide Technology (Software)	6,081,204
PT Fac. Office Hours / PT Fac. Medical	4,600,000
Transfers Out	7,833,579
Museum of Tolerance	80,000

Estimated Total Expenditures \$ 246,477,300

5. FY 2021-22 Fund 1 Actuals

Fitzsimmons advised that this report had been previously provided to the committee. Lehigh requested that this item be placed back onto the agenda for discussion. Lehigh is interested in knowing if the actuals in the site allocations include transfers out to other funds to which Fitzsimmons responded in the affirmative. Fitzsimmons walked the committee through the columns in the report explaining the relationship between central services and the site allocations. Lehigh inquired about the effectiveness of the resource allocation model (i.e., are the sites receiving too much or not enough resource). Fitzsimmons pointed to the absorption budget, which is an attempt to calculate the resource per FTES, which can be compared to other colleges. Slater

added that the model currently does not consider success metrics; however, that is an interesting concept. She also reminded the committee that the campus shutdowns and declining enrollment have resulted in an increase in the unspent resources at year-end, which are usually transferred to Fund 4 for one-time capital outlay purposes. Prisecar shared a presentation on what Canada College did with regard to their 2020-21 unspent resources. Fitzsimmons reminded the committee members that annually inter-fund transfer data is brought to the committee. Additionally, the adopted budget document includes a section narrating the carryover in Fund 1. Morello provided the committee with information with regards to Skyline's need to carry over one-time funds (e.g., funding positions when existing funding expires, internet access, etc.) He went on to explain concerns about future potential deficits (e.g., sunseting of the total compensation formula, reduction in revenues, etc.) Having one-time surpluses will buttress against future deficits. Djedi and Prisecar spoke to capital project needs. Lehigh suggested that the colleges bring forth an annual item to the committee on inter-fund transfers and carryovers from the prior year. Fitzsimmons will place this on future agendas for the Fall.

6. RA Review Status Update

On behalf of Storti, Slater updated the committee members on the status. For 2023-24 the resource allocation model will have a placeholder, if needed, for unfunded facility and technology (hardware) needs.

7. Public Comments / Future Agenda Items

Fitzsimmons reviewed the proposed agenda items located in the parking lot for March, April, and May. He asked members if they have any additional items for consideration to contact him.

8. Next Meeting: March 21, 2023

Meeting adjourned at 3:04 p.m.