



**District Committee on Budget & Finance
January 25, 2022**

Board Room / Zoom, 1:30 – 3:30 p.m.

Attendees: Diana Castro, Daryan Chan, Jia Chung, Mary Chries Concha Thia, Judy Hutchinson, Vincent Li, Joe Morello, Micaela Ochoa, Ludmila Prisecar, Bernata Slater, and Richard Storti

Absent: Tony Burolla, Tania Farjat, Nick Kapp, Steven Lehigh, and Max Wong

Guests: Paul Cassidy, Peter Fitzsimmons, Chantal Sosa, and Danielle Vlahos

Called to order at 1:34 p.m.

1. FY 2021-22 CCFS-320 P1

Fitzsimmons reviewed the report that was submitted to the State and emailed to the committee members prior to the meeting. He reminded the members that this is the first of three reports reporting FTES for 2021-22. The report is separated into four identical parts: one for each college and one summing the colleges (or districtwide). Part 1 is likely the most useful because this part illustrates the total FTES (both resident and non-resident) for each college and the district as a whole.

Fitzsimmons advised of the year-over-year enrollment declines. Canada is down 468 FTES (or 14%). CSM is down 671 FTES (or 11%). Skyline is down 1,012 FTES (or 16%). These numbers include Apprenticeship FTES and will continue to be refined in the next reporting periods.

Ochoa and Concha Thia confirmed that the year-over-year declines are a comparison of the 2021-22 P1 to the 2020-21 PA and not the P1 to P1 Reports.

2. FY 2022-23 Budget Calendar Review

Fitzsimmons advised the committee members that the calendar has been presented to the Board of Trustees for approval at their meeting tomorrow night. The actions are the same as the prior year with slight modifications to the dates to reflect the changing of the days of the week from last year to this year. The calendar is a tool to keep everyone on the same page and was emailed to the committee members prior to the meeting.

3. FY 2022-23 State Budget Proposal

Storti reviewed the presentation from School Services that was emailed to the committee members prior to the meeting. He reviewed which of the Governor's proposals are most likely to impact basic-aid districts. Storti advised that State revenues are significantly higher than projections, which is leading to a generous budget for education; however, many of the proposals are one-time.

He highlighted the COLA for certain categorical programs and deferred (scheduled) maintenance, which will be received by basic aid districts. The current proposal would warrant approximately \$5m to the District in 2022-23 for scheduled maintenance as compared to the \$7m received in 2021-22. This level

of funding is unprecedented; however, will still not meet the unmet needs. Ochoa inquired as to which categorical programs the Governor proposed to receive the 5.33% COLA. Fitzsimmons responded that CalWORKS, EOPS, and DSPS would receive the COLA and Slater posted in the Zoom Chat that Mandated Costs, Childcare Tax Bailout, and Adult Ed would also receive the COLA. Ochoa inquired as to how scheduled maintenance projects will be prioritized. Storti responded that Facilities has a list of projects based upon certain criteria.

Storti highlighted the additional funding proposed for student housing projects. The District applied for funding in 2021-22 along with a large number of other districts. The additional funding for 2022-23 may increase the District's chances of receiving funding for student housing.

Storti advised that one proposal that was noticeably absent from the Governor's proposal was the buy down of the employer rates associated with STRS and PERS. In the past few years, districts have benefited from the State buying down these rates because it significantly reduced the expenses districts had to pay to the pension systems. He is hopeful that the State's Adopted Budget will include a buy down of the employer rates because the rates are set to escalate significantly in 2022-23 (from 16.92% to 19.10% for STRS and from 22.91% to 26.10% for PERS).

Storti opined that overall at this stage, the Governor's proposed budget is strong for education. He reminded the committee that not all of the proposals will be provided to the District given its basic aid status and management continues to monitor assessed valuation, which drives local property taxes. Assessed valuation is currently a little over 5%. Storti reminded the committee members that the majority of the District's expenditures are for personnel costs and these costs continue to increase. Other areas being monitored closely are utilities because, despite consumption declines, rates are increasing and are negating any cost savings; costs of supplies and goods due to alarming inflation; and the cost of insurance.

Fitzsimmons stated that the 2021-22 Mid-Year Budget Report is currently being drafted and will, in part, provide additional information of the Governor's proposal as well as the District's current year budget status as of December 31, 2021. He also made mention of the State exceeding its appropriations limit (GANN), which means that any excess by statute has to be evenly distributed between education and taxpayer refunds. The Governor addressed this in his proposal; however, more specifics will be known via the May Revise.

Storti concluded with an update on AB 1505, which is gaining traction in Sacramento. This assembly bill seeks to re-bench the FON to the fall 2022 numbers. Fitzsimmons stated that this would likely increase the District's obligation by 100 FTEF, which may be difficult to maintain with declining enrollment. Storti stated that CCSF is 200 over its current FON and that districts are financially penalized for not meeting the FON.

Storti advised that any new budget information received over the will be provided to the committee members.

4. RA Review Status Update

Storti reported that the taskforce's initial meeting is scheduled for Friday, January 28, 2022, and that he looks forward to the discussion and ideas brought forth by the members. He noted that topics will include items such as on-going funding for unmet capital needs including buildings and technology; ongoing personnel costs, on-going operational costs, board initiatives, and other student success measures. He opined that the taskforce will likely need a minimum of six months to recommend

adjustments to the existing resource allocation model or a completely new resource allocation model that meets the needs of the organization. He noted that there are many different types of models and there isn't necessarily a right or a wrong model. He reminded the committee members that there are lots of demands on finite resources and the goal is to recommend a model that best addresses on-going obligations, unmet needs, and board initiatives.

5. Public Comments / Future Agenda Items

Fitzsimmons advised that there are a number of items scheduled for February, which will be a robust meeting. The items are noted in the parking lot section of the agenda.

6. Next Meeting: February 15, 2022

Meeting adjourned at 2:12 p.m.