



**District Committee on Budget & Finance
September 19, 2023**

Zoom, 1:30 – 3:30 p.m.

Attendees: Mary Chries Concha Thia, Anthony Djedi, Elian Fontanilla, Judy Hutchinson, Steven Lehigh, Vincent Li, Stephanie Martinez, Montse Morales, Joe Morello, Gerardo Pacheco, Ludmila Prisecar, and Bernata Slater

Absent: Tony Burolla and Cassidy Ryan

Guests: Kim Aviles, Paul Cassidy, and Peter Fitzsimmons

Called to order at 1:34 p.m.

1. Introductions

Slater welcomed the committee members to the first meeting of the fiscal/academic year. Committee members and guests introduced themselves.

2. Charge of the Committee

Slater reviewed the charge of the committee, which was emailed to the committee members in advance of the meeting. Prisecar asked if appointed committee members had term limits, to which Slater stated that there are no term limits.

3. FY 2022-23 CCFS-320 Annual Report

Slater introduced the report and explained that the CCFS-320 Report is submitted to the State Chancellor's Office three times annually (i.e., January, April, and July). Fitzsimmons reviewed the report providing enrollment numbers via various categories, which was emailed to the committee members in advance of the meeting. He noted that the colleges served a total of 12,623 Resident FTES and 1,017 Non-Resident FTES. This is an increase from 2021-22 when the colleges served a total of 12,477 Resident FTES and 882 Non-Resident FTES for a year-over-year increase of 281 FTES.

4. FY 2023-24 Adopted Budget (agenda item discussed after #5)

Slater reviewed the slides presented to the Board of Trustees at their meeting of September 13, 2023, when the Board adopted the budget. Both the slides and the budget document were emailed to the committee prior to the meeting. She provided background with regards to the OPEB Trust Fund, highlighted that the trust fund was over-funded by \$14 million as of June 30, 2023, and explained the actuarial process with an emphasis that the funding status is a point in time and fluctuates.

Fontanilla asked about the split between the colleges for food insecurity and housing insecurity. Fitzsimmons explained that the \$1m for food insecurity is a districtwide allocation and the colleges coordinate amongst each other based upon needs and work to ensure that the total expenses across the district remain within budget. Morello explained that the \$.2 million for housing insecurity is

comprised of \$50k for the College of San Mateo, \$50k for Skyline each, and \$100k for Canada based upon college funding decisions and resource availability.

5. FY 2022-23 Districtwide Inter-Fund Transfers

Fitzsimmons reviewed the document illustrating the inter-fund transfers, which was emailed to the committee prior to the meeting. He highlighted that the net transfers in/out of Fund 4 totaled \$27.6 million and that the District transferred \$1.1 million into Fund 8 to avoid a draw from the OPEB Trust Fund to cover the costs of retiree benefits.

Lehigh asked if the 3% service cost assessment that provides resource to Fund 8 as part of the composite benefit rate is excluded from interfund transfers, to which Fitzsimmons confirmed that this is not considered an inter-fund transfer and is separate and distinct. Lehigh also asked about the funding status of the OPEB Irrevocable Trust, to which Slater advised that she will be sharing a slide on this subject included in FY 2023-24 Adopted Budget (see Item #4).

6. College Presentation of FY 2022-23 C/O & IFTs

Cassidy reviewed the presentation, which was emailed to the committee prior to the meeting.

Lehigh inquired about the difference between the colleges for certain transfers in to support the same programs. Cassidy explained that the “free college initiative” at Skyline is a college-based initiative and not the district-wide initiative, which is why the other two colleges did not have this inter-fund transfer. Fitzsimmons explained that the food insecurity program over-expended its allocation and each site was tasked with identifying resources to fund the over-expenditure, which did not necessarily require an inter-fund transfer depending upon the resource identified by the particular site as another example as to why the amounts differ between the colleges.

Lehigh asked about transfers from Fund 1 to Fund 4 for potential capital projects vs. contingency. Fitzsimmons explained that capital projects are funded throughout the year as the need arises. This is different than the year-end process when local decisions are made to move funds available from Fund 1 to Fund 4. Morello added that one-time savings contribute to the funds available at year-end and primarily consist of salary savings due to vacant positions. These funds are set-aside for contingencies for future expenses (e.g., sustaining positions funded with one-time funds allocated by the Board of Trustees to increase the infrastructure associated with the free college initiatives; maintenance of the athletic fields, enhanced cellular reception, HVAC repairs, etc.). He opined that the year-end funds available will diminish overtime given enrollment increases that will require additional expenditures to support. Prisecar concluded by noting that the bond funds have been fully expended or committed, which requires the colleges to fund equipment replacement and other capital expenses with these year-end savings.

7. Public Comments / Future Agenda Items

Fitzsimmons and Slater reviewed the proposed agenda items located in the parking lot for October. He noted that there will likely be an item in October with regards to codifying the State Chancellor’s Office recommendation that by February 2024 districts adopt a reserve policy equivalent to two months of expenditures in alignment with guidance provided by the Government Finance Officers Association. Slater mentioned that this will not necessarily change our existing 15% reserve because two months of operating

expenditures is equivalent to 15%. Fitzsimmons advised that if any member wanted to add any items to the agenda for consideration to please forward to him.

8. Next Meeting: October 17, 2023

Meeting adjourned at 2:51 p.m.