



**District Committee on Budget & Finance
September 20, 2022**

Zoom, 1:30 – 3:30 p.m.

Attendees: Mary Chries Concha Thia, Anthony Chumpitazi, Anthony Djedi, Judy Hutchinson, Steven Lehigh, Vincent Li, Stephanie Martinez, Joe Morello, Gerardo Pacheco, Bernata Slater, Richard Storti, and Chi Chi Wai

Absent: Tony Burolla, Nick Kapp, and Ludmila Prisecar

Guests: Paul Cassidy, Peter Fitzsimmons, Yung Nguyen, and Chantal Sosa

Called to order at 1:32 p.m.

1. Charge of the Committee

Storti reviewed the charge of the committee, which was provided via email prior to the meeting.

Storti briefly spoke about the State's revenues coming in lower than projected and other economic drivers and how these indicators may impact the District. He also spoke about cost escalations. The committee will be instrumental in assisting communicating the District's budget status throughout the community. He noted that the committee membership is well-rounded to maximize the charge of the committee. He also availed himself to share information with any individual member or constituency group. Slater emphasized the importance of communicating to the various constituency groups so that the community as a whole is as informed as possible.

2. FY 2021-22 CCFS-320 Annual Report

Fitzsimmons reviewed the report, which was emailed prior to the meeting, with the committee. He noted that a revised report was submitted this week for Canada because they overstated their FTES by 2.2 FTES.

Morello reminded the committee that residents are California residents.

Slater noted that student fees are budgeted based upon college enrollment projections. SB 893, if passed, will require an adjustment to the budget. Lehigh confirmed that the Board of Trustees have latitude to what fees will be paid on behalf of students. Storti reminded the committee that SB893 pertains to county residents only. Hutchinson asked what fees the Board of Trustees are considering. Storti stated that implementation cannot be sooner than spring 2023 and that the Board of Trustees will have to adopt policies with regards to implementation. Pacheco asked for clarification of the budget for SB 893. Storti stated that the FY 2022-23 Budget included an allocation of \$6m.

Storti asked where enrollments were in relation to last year. Fitzsimmons responded that overall enrollment is down 13.7% from the prior year.

3. FY 2022-23 Adopted Budget

Storti provided a high-level overview of the adopted budget reviewed the slides, which were emailed prior to the meeting, that were presented to the Board of Trustees during their meeting of September 8, 2022, when

they adopted the budget. Slater reminded the committee that the allocation for deferred maintenance is much larger than normal and will allow for transfers from Fund 4 to fund SB893 that were previously allocated towards maintenance projects.

Lehigh asked about revenue volatility the District faces given our basic-aid district. Storti responded that the District does receive funding from the State for categorical programs. Property taxes are relatively stable; however, there is always a possibility that the housing market will be impacted. Fitzsimmons reminded the committee that it takes about 4% year-over-year increase to fund increased year-over-year costs. He also mentioned that interest rates are pricing many would-be homebuyers out of the market. That being said, San Mateo County's demographics are fairly unique which will further buttress against extreme volatility.

Lehigh asked about the \$6m allocation for SB 893 – why one-time and for how long will this resource last? Storti stated that the \$6m is for spring 2023; however will likely be \$4m or \$5m depending upon the policies yet to be adopted by the Board of Trustees. The \$6m is coming from college reserves in Fund 4 that will be backfilled by deferred maintenance funds from the State. Fitzsimmons stated that the budget for FY 2023-24 will be \$10m and will be included in the Resource Allocation Model as a placeholder pending further funding discussions. Lehigh expressed concern about how the District can fund this program. Storti stated that much will have to do with the policies adopted by the Board of Trustees. He reminded the committee that SB 893 is currently a five-year pilot program.

Morello asked about PERS/STRS employer rates being impacted by the stock market. Storti confirmed that this is the case. Fitzsimmons reminded the committee that the larger the gap between STRS and PERS employer rates that more difficult it is for the District to move closer to 50% with regards to the 50% Law.

Storti availed himself to any members who may have questions on the budget.

4. RA Review Status Update

Storti advised that the workgroup is currently focused on what revisions to the existing model are needed to better align with student needs.

5. Public Comments / Future Agenda Items

Fitzsimmons advised that he will add SB 893, the FY 2021-22 Fund 1 Actuals displayed in the Resource Allocation Model format, and the FY2021-22 Fund 1 Actuals displayed in the Funds Tables format by site.

6. Next Meeting: October 18, 2022

Meeting adjourned at 2:45 p.m.