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# AUDIT AND BUDGET COMMITTEE MINUTES

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Coast Community College District

Special Meeting of the Audit and Budget Committee

May 25, 2021

Zoom Telephonic Conference Meeting

## 1. Call to Order

The meeting was called to order at 2:00 p.m.

## 2. Roll Call

Trustees Present: Trustee Jim Moreno and Trustee Mary Hornbuckle

Trustees Absent: None

**In Attendance** – Dr. John Weispfenning, Chancellor; Dr. Andreea Serban, Vice Chancellor of Educational Services and Technology; Dr. Andrew Dunn, Vice Chancellor of Finance and Administrative Services; Dr. Marco Baeza, Vice Chancellor Human Resources; Rachel Snell, District Director of Internal Audit; Paul Wisner, GWC Director of Business Services; Dr. Rich Pagel, OCC Vice President Administrative Services; Dana Swart, District Controller; Daniela Thompson, Executive Director Fiscal Affairs; Tanya Tran, District Budget Manager; Rachel Kubik, OCC Director of Business Services; Miguel Beltran, Internal Audit Specialist;; Eric Fallis, District Director, Public Affairs & Marketing; Janet Houlihan, Vice President, Administrative Services, GWC; Derek Bui, Director Business Services, Coastline; Christine Nguyen, Vice President, Administrative Services, Coastline; Jeff Jensen, Crowe LLP; Damian Clark, Crowe LLP; Casey Elliott, Townsend Public Affairs; Mary Grady Administrative Assistant, Board of Trustees; Jane Burton, Manager/Board Secretary

## 3. Opportunity for Public Comment

There were no requests to address the Audit and Budget Committee during Public Comment.

## 4. Approval of Minutes: Meeting of February 9, 2021

On a motion by Trustee Moreno, seconded by Trustee Hornbuckle, the Committee voted to approve the minutes of the Special Meeting of February 9, 2021.

Motion carried with the following vote:

Aye: Trustee Hornbuckle and Trustee Moreno  
No: None  
Absent: None

Mr. Jensen outlined the planning process. He noted significant risk areas that had been identified that would be focus areas for the 2021 audit, and outlined management and auditor responsibilities related to fraud.

An update for the Committee by Crowe LLP would be scheduled for the August 24, 2021 Audit and Budget meeting, with a presentation to the full Board on September 1, 2021.

## **7. Review, Discuss, and Possible Action Regarding State Legislature Budget Issues - Casey Elliott, Townsend Public Affairs**

Casey Elliott from Townsend Public Affairs joined the Committee to discuss budget issues.

The Governor's May revised budget proposal was released. The proposal provided for more funding than expected. The revised budget contained close to \$197 Billion in general fund spending with a \$75 Billion budget surplus and an additional \$27 Billion of federal funding available to the state. The state would invest back approximately \$24.5 Billion in reserves. The financial position was very strong.

The possibility of exceeding the state GANN limit was a possibility. Revenues could exceed the state limit, requiring funds to go back and be split between education and tax payers. Governor Newsom proposed to expand the Golden State Stimulus package to fulfill the GANN limit requirements. More funding for education was expected for the 2022-23 budget.

The Proposition 98 numbers were re-benched at \$92.8 Billion for the current year budget, which was almost \$10 Billion higher than the January proposed budget, \$97.7 Billion for 2021-2022 which was upward of \$5.6 Billion.

Highlights from the Governor's May revised budget for Community Colleges included:

- The revised budget proposal would build on the January budget proposal for the deferral retirement \$1.4 Billion, deferrals buy-down \$1.1 Billion. The May budget had a complete deferral buyback.
- An increase in the COLA from 1.5% to a compound 4.05% over the budget year and 4.5% total COLA, representing about \$296 Million in funding and the bulk of the ongoing spending dollars. Much of the funding proposal included one-time funding sources for Community Colleges.
- A significant amount of resources for deferred maintenance: \$314 Million within State, plus an additional \$250 Million in Federal
- \$150 Million for Guided Pathways
- \$100 Million for student retention & enrollment strategies
- \$100 Million for zero text book cost for students
- \$ 50 million for in person instruction
- Significant funding for workforce training and development programs

included many dedicated streams of funding, the federal relief acts, COLA and Guided Pathways funding was discussed in more detail.

The individual District funding detail would be available early July 2021. The statewide budget workshops would begin in August 2021.

The tentative budget 2021-2022 FY would be presented to the full Board June 16, 2021.

## **9. Future Meeting Date**

The next meeting was scheduled for Tuesday, August 24, 2021 at 2:00 p.m.

## **10. Future Agenda Items**

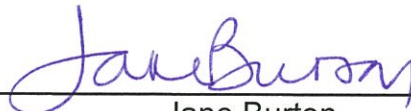
- (a) Internal Audit Update
- (b) External Audit Update
- (c) Budget

## **11. Adjourn**

On a motion by Trustee Moreno, seconded by Trustee Hornbuckle, the Committee voted to adjourn the meeting at 3:12 p.m.

Motion carried with the following vote:

Aye:	Trustee Hornbuckle and Trustee Moreno
No:	None
Absent:	None



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Jane Burton  
Secretary of the Board