
AUDIT AND BUDGET COMMITTEE MINUTES

Coast Community College District

Special Meeting of the Audit and Budget Committee

August 24, 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; Dr. Vincent Rodriguez, President, Coastline College; Rachel Snell, District Director of Internal Audit; Paul Wisner, GWC Director of Business Services; Daniela Thompson, Executive Director Fiscal Affairs; Tanya Tran, District Budget Manager; Rachel Kubik, OCC Director of Business Services; Miguel Beltran, Internal Audit Specialist; Erik Fallis, District Director, Public Affairs & Marketing; Janet Houlihan, Vice President, Administrative Services, GWC; Derek Bui, Director Business Services, Coastline; Tim McGrath, President GWC; Julie Clevenger, Director Chancellor's Office Operations and Projects; Christine Nguyen, Vice President, Administrative Services, Coastline; Pete Bouzar, Faculty GWC; Cyndee Ely, Faculty OCC; Lisa Lee, Faculty CCC; Lee Gordon, Faculty OCC; Diana Rochat, Classified Senate, GWC; Shannon Quihuiz, Assoc Dean, Title IX OCC; Casey Elliott, Townsend Public Affairs; Roy Sahachaisere, Student Trustee; 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 May 25, 2021

On a motion by Trustee Moreno, seconded by Trustee Hornbuckle, the Committee voted to approve the minutes of the Special Meeting of May 25, 2021.

Motion carried with the following vote:

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

5. Review, Discuss, and Possible Action Regarding Internal Audit Quarterly Update

Ms. Rachel Snell, District Director of Internal Audit, provided a quarterly update. The primary topic was TeamMate+ protocol. She noted that migration to TeamMate+ was complete and configuration settings had been validated, and training classes delivered to staff districtwide.

Secondary topics of discussion:

- There were issues with the facilities training revolving around distribution lists that were in the process of being resolved.
- The Strategic Audit Plan was presented to the Board at the June Meeting.
- The first part of a records management report would be presented at the September Board meeting, and the second part at the December Board meeting.
- Follow-up with Financial Aid had begun, with the implementation of new IT controls.
- PCI – The Fiscal Team would meet to discuss direction for IT and solutions to stop people emailing credit card numbers.
- Fundraising efforts and meetings continued with Coastline.
- There were no recent updates from the external auditor.

The Trustees thanked Ms. Snell for the reports. Trustee Moreno requested moving forward that an executive summary be prepared for each full audit document.

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

Mr. Casey Elliott from Townsend Public Affairs provided an update for the Committee on the state budget.

Five weeks prior to the Committee meeting, the Governor had signed SB129 signifying the bulk of the state budget for the year with accompanying trailer bills.

The overall budget came in at just over \$262.6 billion when combining general funds and special funds. That amount reflected a large infusion of federal funding, as well as the surplus that materialized during the year as the state recovered from the effects of the Corona virus pandemic.

The budget was similar to previous budgets with increasing one-time funding proposals and new programs.

Some high-level items were noted:

- The final budget eliminated the 2020-2021 deferrals, \$1.45 billion dollars.
- Provided 5+% COLA.
- Over \$500 million in deferred maintenance funding.
- \$100 million in the areas of part-time faculty office hours, and increased the number of full-time faculty.
- \$2 billion of non-prop 98 funding with multi-year funding to create additional student housing at higher education colleges.
- \$155 million provided for Cal Grant funding.
- Zero cost text book degrees and certificates.
- \$100 million for basic aid to support students.
- DEI funding areas.
- Pandemic recovery.
- \$250 million in federal pass through funding.
- State funding.
- \$20 million for student retention and enrollment.
- Guided Pathways.
- Strong Workforce.
- Outside of the community college budget was a portion for broadband including state operated broadband, urban and rural.

Looking forward, budget trailer bills would be expected by September 10, 2021 before the end of the legislative session. The legislature would return in January 2022.

The Department of Finance provided the July revenue actuals, reporting revenue at about \$1.5 billion more than originally anticipated within the budget frame work. It was a good start to the fiscal year.

The State Chancellor's office would begin their budget proposal for internal routing and eventual inclusion in the January budget.

The budget structure was expected to remain stable as long as Governor Newsom remained in office. Trustee Moreno encouraged everyone to vote.

Trustee Hornbuckle asked a question regarding funding for student housing and possible funds for OCC housing and individual students. The details of the funding allocations were not yet clear; however, it could be a prospect moving forward as the flexibility for the funding allocations would be examined.

7. Review, Discuss and Possible Action regarding Budget 2021-2022

Vice Chancellor Dunn acknowledged the District fiscal leadership teams and their dedication to the budget process. Dr. Dunn shared a detailed PowerPoint presentation as he discussed the final budget with the Committee.

The final budget had placed Coast District in a better fiscal position than was originally anticipated. Reasons: (1) An unprecedented level of federal relief funding (2) a stronger state budget than was anticipated (3) institutional discipline.

The institutional discipline mentioned above included the Supplemental Retirement Program that had been implemented the previous year, with original projections of backfilling the positions at 50% capacity. Coast had only refilled approximately 15% of the retirement positions. Leadership was acknowledged and complimented by Vice Chancellor Dunn for holding a firm line, while at the same time reminding the Committee the economic factors expected for future years could pose an impending fiscal cliff (projected for year 2025-2026 at this point in time).

Budget development and highlights from the Governor's new budget were again discussed, including; all community college deferrals were retired with the new budget; hold harmless was extended, 5.07% COLA, fulltime faculty hiring provisions, student housing. The budget had included new revenue and categorical programs for the colleges.

Budget assumptions and reserves were also outlined in the presentation. Comparisons, expenses, salaries and trends were examined.

Of note, due to the remote work plan for employees, the health insurance claims were down and the renewal fee was \$1.4 million (-3.3%) below the prior year.

Dr. Dunn responded to Trustees' questions regarding retirement and employee benefits expenses and returns.

The same presentation was previously presented to the Board of Trustees at the 2021 Annual Board Retreat.

The final budget for fiscal year 2021-2022 was scheduled for adoption by the Board of Trustees at the September 1, 2021 Board meeting.

8. Future Meeting Date


The next meeting was scheduled for Tuesday, November 9, 2021 at 2:00 p.m.

9. Future Agenda Items

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

10. Adjourn

The meeting was adjourned at 2:53 p.m. in memory of Howard Nicholson, husband of classified retiree, Ann Nicholson, who had recently passed away.



Jane Burton
Secretary of the Board