
AUDIT AND BUDGET COMMITTEE MINUTES

**Coast Community College District
Audit and Budget Committee
June 6, 2023
Board Office Conference Room**

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. Whitney Yamamura, Chancellor; Marlene Drinkwine, Vice Chancellor of Finance and Administrative Services; Christine Nguyen, CCC Vice President of Administrative Services; Paul Wisner, GWC Vice President of Administrative Services; Dr. Rich Pagel, OCC Vice President Administrative Services; Julie Clevenger, Director of Chancellor Office Operations; Erik Fallis, Board Secretary; Daniela Thompson, Executive Director Fiscal Affairs; Rachel Kubik, OCC Director of Business Services; Maira De La Torre, Internal Audit Specialist; Rachel Snell, Director Internal Audit Services; Dwayne Thompson, Director of Institutional Research and Planning; Janet Houlihan, Vice President of Special Assignment; Casey Elliott, Townsend Public Affairs.

3. Opportunity for Public Comment

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

4. Approval of Minutes: Meeting of February 7, 2023

On a motion by Trustee Hornbuckle, seconded by Trustee Moreno, the Committee voted to approve the minutes of the meeting of February 7, 2023.

Motion carried with the following vote:

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

5. Internal Audit Quarterly Update

District Director of Internal Audit Rachell Snell provided the Internal Audit update.

Five completed memo reports were presented: Coastline Part-time Faculty Self-reported Follow-up Status on Recommendations, Golden West Criminal Justice Training Center Self-reported Follow-up Status on Recommendations, BP/AP 7400 Travel Memo Report, Strategic Audit Plan FY 2023-2024, Districtwide Title IX Review. Other projects in progress included the Faculty Load and Compensation process review, AP 3600 External Auditor/Independent Contractor final report to Associated Student Governments, External Audit Liaison and Records Management.

A full report of Internal Audit projects would be presented to the Board of Trustees at the June 21, 2023 Board meeting, in addition to reports of good standing for the Associated Student Governments.

6. External Auditor's Report

Executive Director of Fiscal Affairs Daniela Thompson presented the Client Service Plan provided by Crowe LLP. The presentation included an overview of the audit team, scope of services, deliverables, timeline for the execution of services, the audit approach and recent audit developments.

Areas of note within Crowe's audit approach included the financial statement audit, annual planning with management relative to internal audit procedures, identification of potential risks and vulnerability to fraud.

7. Tentative Budget FY 2023-2024

Vice Chancellor Marlene Drinkwine provided a summary presentation of the FY 2023-2024 Tentative Budget. The presentation included a recap of the 2022-2023 budget, highlights of the 2023-2024 state budget that identified changes from the January proposal to the May revise, and an overview of the district 2023-2024 tentative budget.

Areas of note within the tentative budget included an explanation of assumptions, student centered funding formula calculation components, categorical programs, unrestricted general fund multi-year projections, reserve projections and enrollment impact considerations.

The tentative budget would be presented to the Board of Trustees at the June 21, 2023 Board meeting for adoption. Subsequently, the final budget would be presented to the Board of Trustees at the September 6, 2023 Board meeting for approval and adoption.

8. State Budget Update

Casey Elliott of Townsend Public Affairs provided the Committee with an update on the State Budget.

On May 12, Governor Newsom released the revised budget proposal for the 2023-2024 fiscal year. In total, the spending plan included \$224 billion in General Fund spending, with a projected \$31.5 billion budget shortfall. To address the budget deficit, the May Revise proposed: \$3.7 billion in borrowing, \$3.3 billion in fund shifts, \$1.1 billion in unspent fund reductions, \$695 million in funding delays, and \$450 million safety net reserve withdrawal. The May Revise proposed no new trigger reductions and maintained the \$3.9 billion in triggered reductions from the January Budget proposal.

The May Revise proposed maintaining spending cuts by pulling back on unallocated one-time spending funds, shifting to future bonds, and instituting funding delays. The administration remained committed to stabilizing investments in homelessness, housing, healthcare/mental health, climate, public safety, and jobs.

On May 26, the Assembly Budget Committee approved their version of the budget bill. The budget framework contained many elements of the May Revise, and also some key differences. On May 26, the Senate Budget Committee also approved its budget framework. The Administration and Legislature were in the process of reconciling the three versions of the budget so that a final budget bill would be approved by the Legislature before the June 15 deadline.

9. Future Agenda Items

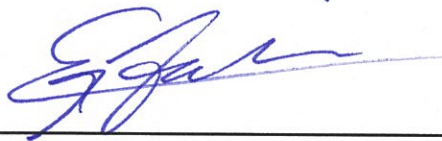
Budget Update
Internal Audit Report
External Audit Progress Report
Harbour Developments

10. Next Meeting Date

The next meeting was scheduled for Tuesday, August 8, 2023 at 2:00 p.m.

11. Adjourn

The meeting was adjourned at 3:15 p.m.



Secretary of the Board
Erik Fallis