
AUDIT AND BUDGET COMMITTEE MINUTES

Coast Community College District
Audit and Budget Committee
February 13, 2024
Board Office Conference Room

1. Call to Order

The meeting was called to order at 2:01 p.m.

2. Roll Call

Trustees Present: Trustee Mary Hornbuckle
Trustee Jim Moreno

In Attendance

Whitney Yamamura, Chancellor
Daniela Thompson, Executive Director of Fiscal Services
Christine Nguyen, Vice President of Administrative Services, CCC
Rich Pagel, Vice President of Administrative Services, OCC
Rick Hicks, Acting Vice President of Administrative Services, GWC
Rachel Kubik, Director of Business Services, OCC
Rachel Snell, Director of Internal Audit
Araceli Alvarez, District Budget Director
Debbie Franklin, Accounting Analyst
Julie Clevenger, Director of Chancellor's Office Operations
Ricky Goetz, Board Secretary

3. Opportunity for Public Comment

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

4. Selection of Chair and Vice Chair of the Audit and Budget Committee

On a motion by Trustee Moreno, seconded by Trustee Hornbuckle, the Committee voted to appoint Trustee Hornbuckle as Chair and Trustee Moreno as Vice Chair for 2024.

Motion carried with the following vote:

Aye:	Trustees Hornbuckle and Moreno
No:	None
Abstain:	None
Absent:	None

5. Approval of Minutes: Meeting of November 14, 2023

On a motion by Trustee Moreno, seconded by Trustee Hornbuckle, the Committee voted to approve the minutes of the November 14, 2023 meeting.

Motion carried with the following vote:

Aye:	Trustees Hornbuckle and Moreno
No:	None
Abstain:	None
Absent:	None

6. Internal Audit Quarterly Report

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

Projects completed included GWC Fiscal Staffing Review: Review of the GWC Business Office staffing compared to OCC and CCC; Recovery Kitchen: Memo Report related to EHS Walkthrough; Radiologic Technology: Memo Report related to HR Concerns; OCC Travel Reimbursement Review: Review of a particular travel reimbursement request for compliance with BP/AP 7400 Travel; and Review/Update District P-Card User Guide: Procurement Card User Guide.

Projects in progress included OCC Audit of Radiologic Technology operations: Reporting; OCC Audit of Recovery Kitchen operations: Reporting; Districtwide Foundation Operations Review: Fieldwork; CCC Gift Cards: Reporting; OCC Veteran's Resource Center: Planning; External Audit Liaison: Ongoing; and Record Management - Internal Audit files Ongoing.

Continuing services included Retirement Board, Vice Chair and District Consultation Council BP/AP Subcommittee member.

A full report of Internal Audit projects would be presented to the Board of Trustees at the March 20, 2024 Board meeting.

7. Budget Update

Executive Director of Fiscal Services Daniela Thompson provided an update on the State and District budgets. Discussion topics included:

- Legislative Analyst's Office Fiscal Outlook released in December 2023 that identified loss of revenues totaling \$26 billion in FY23 and \$32 billion in FY24, State budget deficits totaling \$68 billion in FY25 with \$30 billion ongoing annually, and projected COLA for FY25 of 1.27%.
- Governor's January proposal for the 2024-25 State Budget released in January 2024 that identified state budget deficits totaling \$38 billion in FY25 with growth projected to be 0.50%.

- Governor's plan to address the budget deficit that included \$13.1 billion from reserves, \$8.5 billion in reduced funding, \$5.7 billion in increased revenue and internal borrowing from special funds, \$3.4 billion in fund shifts, \$5.1 billion in delays of funding, \$2.1 billion in deferrals, and \$5.7 billion to be withdrawn from the K-14 Public School Stabilization Account.
- Updates to the District's baseline Unrestricted General Fund projections included 3.94% COLA in FY25 with minor changes to subsequent years, updates to Student Centered Funding Formula projections, and updated baseline Unrestricted General Fund multiyear projections through FY25.
- Considerations and concerns of note included optimistic economic projections for interest and unemployment rates, the use of one-time resources to cover ongoing funding, impacts of Proposition 98, and insufficient funding for future salaries and benefits.
- Next steps were identified to reflect the development of stabilization plans that included revenue enhancements, salary savings, and expenditure adjustments through FY27.

8. Future Agenda Items

Internal Audit
External Audit
Budget Update

9. Next Meeting Date

The next meeting was scheduled for Tuesday, June 4, 2024 at 2:00 p.m.

10. Adjournment

The meeting was adjourned at 3:09 p.m.



Richard Goetz
Secretary of the Board