
AUDIT AND BUDGET COMMITTEE MINUTES

**Coast Community College District
Audit and Budget Committee
August 27, 2025
Chancellor's Conference Room**

1. Call to Order

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

2. Roll Call

Trustees Present: Trustee Elizabeth Dorn Parker
Trustee Jim Moreno

In Attendance

Whitney Yamamura, Chancellor
Marlene Drinkwine, Vice Chancellor of Finance and Administrative Services
Andreea Serban, Vice Chancellor of Ed Services & Technology
Meridith Randall, President, Golden West College
Christine Nguyen, Vice President of Administrative Services, CCC
Rich Pagel, Vice President of Administrative Services, OCC
Rick Hicks, Vice President of Administrative Services, GWC
Rachel Kubic, Director of Business Services, OCC
Rachel Snell, Director of Internal Audit
Steve Kim, District Controller
Araceli Alvarez, District Budget Director
Ricky Goetz, Board Secretary

3. Opportunity for Public Comment

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

4. Approval of Minutes: June 11, 2025

On a motion by Trustee Parker, seconded by Trustee Moreno, the Committee voted to approve the minutes of the June 11, 2025, meeting.

Motion carried with the following vote:

Aye:	Trustees Dorn Parker and Moreno
No:	None
Abstain:	None
Absent:	None

5. Internal Audit Quarterly Report

District Director of Internal Audit, Rachel Snell, provided the Internal Audit Report beginning with the new Dashboard Summary. Discussion included the following:

- Form 700 position titles will be reviewed by the Chancellor's Cabinet.
- Completed work at GWC for the Aesthetics Report and Cosmetology Department overlap. The process mapping for inventory went well. Handbooks and business process improvements were provided.
- The Veteran's Resource Center report was covered. The intake process was reviewed. A recommendation to standardize the college sites would be made.
- The Internal Audit Specialist has left Coast Colleges, and the position is currently vacant. Improvements will be made in the department based on a recent peer review.

6. District and State Budget Updates

Vice Chancellor Marlene Drinkwine updated the Committee and reviewed the 2025-26 Adopted Budget for the Audit & Budget Committee on August 27, 2025.

Highlights included:

- The Coast Colleges Fiscal Stability Plan was implemented in 2023 and has been successful for budget improvements.
- The part-time faculty health benefit program is in place, with full reimbursement.
- A transfer of \$3 million dollars was made to the health & welfare self-insurance fund due to a switch in claims administrators. The outgoing administrator submitted several multi-year claims and have late payment processing.

State Budget Deficit:

- \$12.6 billion
shifts, delays, borrowings, transfers, withdrawals, and deferrals
- Non-Prop 98 program reductions:
 - Medi-Cal: limits, new premiums, freezes enrollment for some migrants.
 - Affordable Housing: \$32 million swept.
 - Climate/Energy/Eco Programs: \$1.3 billion reduced or reverted.
- The K-14 Rainy Day Fund
 - \$49M withdrawal in 2025-26
 - Reduced from \$540M
- \$408.4M of SCCF will be deferred from 2025-26 to 2026-27
 - Reduced from \$531.6M
 - The District has sufficient cash to manage the deferrals.

COLA:

- 2.30% **Statutory** COLA
 - Lower than January's 2.43%
 - Applies to SCFF **rates** and 5 state programs the District receives.
 - 0.23% **Effective** COLA
 - District's 2025-26 SCFF funding will not increase by COLA
 - Was projected to be at the **Funding Floor** in 2025-26 - **zero COLA**
 - Higher 2024-25 "special admit" credit FTES pushed the 2025-26 funding into the **Stability Protection** guarantee
 - No impact on 2024-25 – still in Hold Harmless
- Funding now slightly above zero: **0.23% SCFF increase**

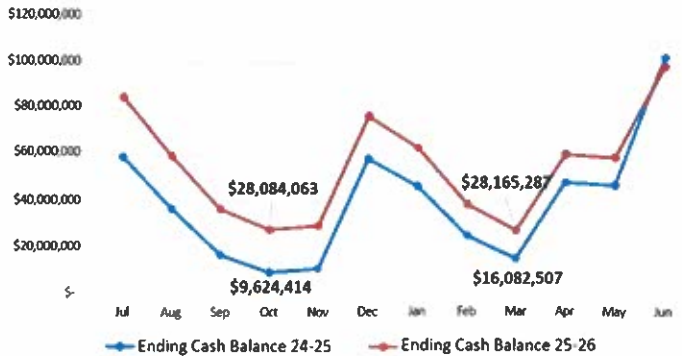
GROWTH:

- A total of \$140 million for **combined 2.35% growth over 2024-25 & 2025-26**
 - \$100 million for 2.28% growth in 2024-25
 - \$40 million for 0.57% for 2025-26 Will fund nearly all statewide unfunded growth
- **The District does not have unfunded growth** despite experiencing growth over the most recent 3 years
 - District was funded at 2019-20 FTES in lieu of actual FTES through 2022-23
 - Since, District has been funded at guarantees, higher than would have been funded for actual FTES

Elimination of Old Banner ERP Beginning 2026-27:

- Banner SaaS in implementation
- During implementation, the District is bearing the costs of both the current Banner and the new Banner SaaS systems
- Once fully implemented, beginning in 2026-27, the old Banner ERP System will begin to be eliminated
- **Total \$3 million ongoing savings over 3-year period**
 - 2026-27: \$465,000
 - 2027-28: \$671,000
 - 2028-29: \$1.8 million
- Impact on reserves is cumulative

- Projected Unrestricted General Fund Cashflow:**
 Month-ending Unrestricted Fund Cash Balance



- Monthly spend average for 2025-2026 is \$23.2 million.
- \$200 million estimated for annual property tax revenue is not received evenly throughout the fiscal year, resulting in lower cash balances in October and March.

Multi-year unrestricted general fund projections and also worse case scenarios were discussed at the meeting.

The final budget for the FY2025-26 was scheduled for presentation and adoption at the Board of Trustees meeting September 3, 2025.

7. Future Agenda Items

- External Audit Report
- Internal Audit Report
- Budget Update

8. Next Meeting Date

The next meeting was scheduled for November 6, 2025, at 2:00 p.m.

9. Adjournment

On a motion by Trustee Parker, seconded by Trustee Moreno, the Committee voted to adjourn the meeting at 3:20 p.m.

Motion carried with the following vote:

Aye: Trustees Dorn Parker and Moreno
 No: None
 Abstain: None

Richard Goetz
 Secretary of the Board