



BUDGET COMMITTEE

MINUTES

March 23, 2021

A meeting of the Budget Committee was held March 23, 2021 via Zoom. The meeting was called to order at 2:47 p.m. by Ambur Borth, Vice President of Finance and Administrative Services.

Roll Call

Members Present: Barbara Baer, Tricia Frady, Anel Gonzalez, Ambur Borth, Teresa Laughlin, Dr. Kendyl Magnuson, Fari Towfiq, David Montoya, Rocco Versaci, Molly Faulkner, Carmelino Cruz, Jenny Fererro, Dr. Vikash Lakhani, Dayna Schwab, Loran Green, Joel Glassman

Members Absent: G.Frederick, K.Deven, S.Sivert

Recorder: Heather Sutton

Guests: Ken Stoppenbrink, Brandi Taveuveu, Pai Wang-Smith, Robert Threatt, Susan Garland

I. Approval of Minutes

The minutes from the March 9, 2021 meeting were tabled until the next meeting.

II. Budget Assumptions/Multi-Year Projections (MYP)

VP Borth presented on budget assumptions and revenue assumptions. VP Borth spoke to the changes that she made to the revenue assumptions worksheet from 20/21 through 24/25. These changes included the removal of center status funding per a FCMAT recommendation and taking out Hold Harmless revenue and the Stability Protection adjustment. Additionally, highlighted the "Earned" SCFF which is Funded SCFF less Hold Harmless Revenue. VP Borth also highlighted that the SubTotal One Time Revenue includes HEERF Funding in 20/21 and 21/22 at approximately \$450k in each year, recapturing lost funding as it relates to students not being on campus, this includes vending and bookstore revenue. Walking through Expenditure Assumptions the only changes being OPEB contribution, and the repayment of a \$5million loan taken from Fund 69 in 18/19. Take aways from the Expenditures Assumptions are reduced expenditures by \$8million overall because of HEERF funding, and increased expenditures by approximately \$5million for the OPEB repayment. VP Borth presented the Multi-Year Projections for 20/21 of \$125.6million, 21/22 of \$124.7million, 22/23 of \$128.9million, and in 24/25 of \$133.0million. Additionally, broken out these Multi-Year as it relates to Employee Compensation. VP Borth continued to cover Multi-Year Surplus (Deficit) Projections as it relates to our expenditures being greater than our revenue. After these computations, showing that there would not be a 7% reserve by 22/23. VP Borth stated that the take-away from this data is that enhanced revenue is masking the structural deficit and artificially inflating reserve percentages. In the final scenario VP Borth showed that there would be \$10million projected deficit in the 24/25 school year, and possibly not having the 7% reserve recommended by FCMAT. VP Borth reported that in quarter two of the 311 report, costs were decreased by approximately \$5million which included materials and supplies, savings of services and other operating expenditures. B.Baer responded to the data and how the projections are done, and also stated that May revise could bring more money to schools, not less.

III. HEERF Funding

Robert Threatt reported on HEERF Funding and the current status for CARES. VP Borth spoke

to planning using HEERF II CARES funding and bringing more details to the committee at a later date. R.Threatt stated that the district has received \$13.2million allocation (institutional portion) and additional \$3.85million (student portion). Dr. Kahn directed that a work group be established to develop initial budgets and projections relating to HEERF and CARES funding. HEERF II funds were initially good for 12 months. R.Threatt explained that these funds are for the support of students either on campus or remotely. The work group is comprised of staff from different areas within Palomar to help better serve the student population. R.Threatt continued to present the different budget groups for the HEERF II CARES funding to include PPE & Facilities at 16%, Instruction & Classroom 20%, Student Grants at 29%, Health & Safety 16%, and Departmental & Contingency 19%. The district has approximately \$1.3 million in other COVID-19 allocations available (e.g. State Block Grant & CARES MSI). R.Threatt informed the group that Instructions/Classroom & Student Grants represent 49% of HEERF II. A.Gonzalez asked about details on where different items for offices/workers/students would be placed in the HEERF budget. VP.Borth responded that workstation adjustments due to social distancing and COVID-19 would fall within PPE. R.Threatt continued to describe the specifics of HEERF III CARES (a.k.a American Rescue Plan), and the differences between HEERF I and II to include the requirement that colleges are to spend a portion implementing evidence-based practices to monitor and suppress the coronavirus, and for COVID-19 testing, vaccination, PPE and classroom retrofits.

IV. One-Time Requests

VP Borth presented the spreadsheet for One-Time Requests and walked through the different items that have been requested thus far, and the prioritization of each first by the FAS team, and then the second review team. Some were moved to the institutional lists, and other areas depending on the item. VP Borth continued to go through each specific item requested under Fund 11. B.Baer commented about the use of Fund 11. VP Borth asked whether the committee approved the One-Time Requests to move forward. This item unanimously passed.

V. Other

B.Baer asked about CARES Funding and the possibility of some of that money shifting towards future costs. R.Threatt committed to giving the committee a timeline for HEERF III and how those funds could be used. A.Gonzalez commented on the use of classroom/office technology and if these funds can be used towards that. VP Borth stated that monies have been set aside for students for improving technologies whether on campus, remote, or a hybrid model. This would also apply to staff as well. J.Fererro echoed A.Gonzalez about outdated equipment in offices and how the district should be planning to address this possible expense. VP Borth spoke to the changes that may occur as budget development and budget assumptions move forward.

VI. Adjournment

There being no further business, the meeting was adjourned at 3:40PM

