

**Budget Committee -2021/22 (Tuesday, February 22, 2022)**

Generated by Heather Sutton on Monday, April 25, 2022

**A. Opening Items**

A.1. Meeting called to order at 2:35pm

A.2. Roll Call

Members Present: Ambur Borth, Dayna Schwab, Anel Gonzalez, Kendyl Magnuson, Molly Faulkner, Benjamin Mudgett, Jenny Fererro, Fari Towfiq, Barbara Baer, George Frederick, David Montoya

Members Absent: Kyle Deven, Carmenlino Cruz, Tricia Frady, Teresa Laughlin, Joel Glassman, Jack Kahn, Vikash Lakhani

Guests: Dr. Star Rivera-Lacey, Ken Stoppinbrink, Brandi Taveuveu, Pai Wang-Smith, Susan Garland, Sergio Almaraz

Recorder: Heather Sutton

B. Approval of Committee Minutes - none

**C. Announcements**

C.1. Introduction to Nancy Lane, Senior Director of Fiscal Services, and of Benjamin "Ben" Mudgett who will be filling the role held by Rocco Versaci as Faculty Representative.

**D. Information/Reports****D.1. Governor's Budget Proposal 2022-23**

VP Borth went over the Governor's Budget and the budget cycle set for the State of California. The budget for the fiscal year runs from July 1st through June 30th. The governor's proposal is a positive proposal with \$9million more than what had been seen previously. The Governor's Budget states that the budget is increasing for 2022-23 from \$210 billion to \$213 billion. Within community colleges, there was a one-time increase of \$982.8 million and ongoing funding was approximately \$841.5 million. The state will enact their budget by the beginning of July 2022, and the colleges have the opportunity to update their budget within several days of the release.

VP Borth spoke to the 2022-23 Proposed New One-Time Investments, and that monies must be spent on specific categories such as roofing, flooring, and other building maintenance in addition to student retention, enrollment, and common course numbering. There is also a proposed cost of living adjustment of 5.3%. \$460 million dollars has been estimated for ongoing funds for part-time faculty health insurance, and student success completion grants, and 5% set aside for enrollment at \$24.9 million dollars.

VP Borth covered COLA and the changes from one fiscal year to the next. Cost of Living seems to be going up to account for inflation. Palomar's cost of living adjustment isn't automatically funded it has to be allocated within the budget proposal in the enacted budget.

VP Borth discussed Revenue Protections being extended. There was an introduction of Hold Harmless with the introduction of the SCFF, and a year ago, our funding was looking like it would be going away in 23/24. The governor extended the provision, and would extend it until 24/25. Kendyl Magnuson spoke to the hold harmless year, and how the reported number of students was 19,000, and that this year is now an estimate of 13,900 this year. Barbara Baer asked about deferrals and where they may be located. VP Borth stated that she did not see that there was anything in the proposal with regards to deferrals.

**D.2. Budget Development Timeline 2022-23**

Nancy Lane did a brief overview of the sequence of the annual state budget process and development. She then went through the 2022-23 Budget Development for Palomar. February the Budget Committee begins review of Governor's Proposal and divisions begin GFU budget development. In March, prioritization of PRP resource requests by division, the executive cabinet reviews GFU/GFR one-time requests. In April, strategic planning council recommends resource allocation and the executive cabinet reviews. In May, the strategic planning council finalizes review of the assumptions and the May revise comes out. In June, the tentative budget is finalized and presented to the Board for approval. July through August the final restricted budgets are submitted to fiscal services and final revisions of the adopted budget are made. In September the Board approves the Adopted Budget.

Nancy Lane went over the automatic cost increases to include CalPERS and CalSTRS contribution rates. Spoke to the jump in CalPERS from 22.91% in 2021-22 to 26.10% in 2022-23 and the slight jump from 16.92% in 2021-22 to 19.10% in 2022-23. Director Lane proceeded to discuss the DOF planning COLA, State Lottery Funding per FTES, Mandated costs block grant funding per FTES, CalSTRS, CalPERS, unemployment insurance and the financial projection and planning factors for each. Ken Stoppinbrink asked about the property tax increases, and the forecasting of when PCCD could go to basic aid. VP Borth stated that the college did not anticipate being at basic aid until 2025-26.

**D.3. CCD Cost Comparatives**

Nancy Lane and VP Borth presented the comparison of cost by community college districts utilizing the information from the ACCJC and a five year trend. Nancy went through the logic in developing the logic of the comparison cost by CCD. Total compensation costs were were looked at and compared. Another metric looked at was total budgeted compensation of total expenses compared to total revenue. Nancy continued to review other districts and the comparison to Palomar. Speaking to South Orange being at 62,3% total

compensation to total expenditures and was a little higher than the "norm". Palomar has also reached out to get the data for all community college districts to better have an understanding of where Palomar is, in comparison.

Barbara Baer stated that the selected colleges made it difficult to get much from the data. Suggested possibly getting the state's information. Ken Stoppinbrink asked about an odd number for South Orange and the large swing in percentage from 93.7% to 62.3% for transfers. Teresa Laughlin asked how the different colleges were chosen. VP Borth stated that it was a team decision, and some colleges were brought in as they either were similar to Palomar, or had issues similar to Palomar.

D.4.

#### E. Future Items for Discussion/Next Meeting

VP Borth walked through the next meetings and budget development. Anel Gonzalez stated that keeping Position Status/Requests should stay on the calendar. Ken Stoppinbrink asked that the comparison should go back 3-4 years ago, and using a bar graph to illustrate where Palomar was, and where it is moving towards. Barbara Baer asked if a short presentation could be given to College Council about Hold Harmless. VP Borth asked if Barbara if she would participate in the presentation, and Barbara agreed.

#### F. Adjournment

Meeting was adjourned at 3:45PM.