

**Fiscal Monitor Ken Stoppenbrink's Report to the Chancellor's Office  
Communications, Correspondence, and Meetings  
February 18, 2021 through March 17, 2021**

**1. NEGOTIATIONS**

NO ACTIVITY

**2. INTERNAL AUDIT & PROCESS EVALUATION**

NO ACTIVITY

**3. MANAGEMENT STRUCTURE**

NO ACTIVITY

**4. BUDGET DEVELOPMENT**

During the Budget Committee meeting held on February 23, 2021, information was shared from ACCJC; Enrollment P1; Hold Harmless; Budget Calendar and Budget assumptions.

Dr. Kahn provided an update from ACCJC regarding the annual fiscal report submitted last spring which contains three years of fiscal data. Based on this report, the ACCJC stated the District would be on enhanced monitoring. There are no immediate action items at this point, but there are areas to watch for going forward prior to the accreditation team visit. This report, is required every year and is always a three-year looking back report. During the enrollment update it was reported that enrollment has dropped about 10% from the previous period. This is not unusual due to the current pandemic concerns and other Districts have had similar drops in enrollment.

The hold harmless protection of revenue will go away in the 2024-25 fiscal year and would reduce revenue by an estimated \$8 million, which would then require that the District would have grown its FTES by about 1,500 in order to break even from the loss of revenue associated with the hold harmless. Budget assumptions are ongoing and the four year projections are certainly subject to modification and correction.

During the March 9, 2021 budget committee, the Assistant Superintendent/Vice President of Fiscal and Administrative Services, provided an update on budget assumptions going out three fiscal years. The deficit factor was explained as well and its effects on all revenue assumptions. There was good discussion around the assumptions especially as it related to COLA. Clarification as to the FCMAT recommendation to not include a COLA going forward will be sought, and to determine why, and if that was what was intended.

## **5. ENROLLMENT MANAGEMENT**

NO ACTIVITY to report at this time.

## **6. DATA INTEGRITY**

The data integrity team has initiated a review of written procedures for Management Information Systems (MIS) data file submissions. MIS data files include an array of District data prescribed by the Chancellor's office for submission on a semester or annual basis. Included in this work will be a review of the current data procedures and a description of an annual review plan for ensuring files are reviewed and submitted on time.

## **7. POSITION CONTROL**

NO ACTIVITY

## **8. PROFESSIONAL DEVELOPMENT**

NO ACTIVITY

## **9. BOARD**

The Board of Trustees held a special board meeting on March 3, 2021. An extended closed session meeting occurred prior to the start of the open session portion of the board meeting. A presentation from the auditors for the 2019-20 fiscal year was presented with no findings. The audit was an unmodified opinion, which is good. The work the District had done last year prior to the closing of the books was evident in the ending balance. The challenge remains for the current fiscal year with respect to a balanced budget.

The trustees were provided an update on the Fallbrook project with FTES projections over the next several years.

The trustees took final action, after several months of discussions, on the firm to hire for the search for the permanent Superintendent/President of the District. Human Resource Services were finally provided a budget for the search, and a selection of the recruitment firm was made after having rejected the firm presented at the February board meeting. Human Resource Services believes they can still meet the projected timelines initially provided.

During a special Board meeting on March 16, 2021, a "Trustee Roles and Responsibilities" workshop was conducted by the law firm Atkinson, Andelson, Loya, Ruud & Romo. This was an excellent workshop, especially for the new trustees and also a great refresher course for the other trustees. During the workshop, there was a wide range of topics covered that included but were not limited to ethics, discipline, complaints, and board duties related to policies as well as education code and government code. There are a number of areas that trustees were provided that cover federal and state level regulations that are incorporated into the existing Board policies. This includes, a policy reiterating that the Board provides the authority to the president to execute in the form of administrative procedures in order to carry out the Board

policies. Public contract code and conflict of interest were also areas including in the workshop. Trustees were cautioned not to engage in areas of student/employee discipline as their role in such matters is as an appellate body and they need to be neutral in the event a challenge comes before them for consideration. Staying clear of any Direct negotiations with the collective bargaining members is critical to keep the integrity of the trustees from appearing to side with issues one way or another.

## **10. OTHER**

### **NEW FCMAT RECOMMENDATIONS:**

**1. ESTABLISH A THREE-YEAR GOAL TO REDUCE TOTAL COMPENSATION TO LESS THAN 85% OF REVENUES.**

Discussion has been initiated within the College, regarding the difference between tracking total the District is currently at 90%, with that number increasing to 93.8% when the hold harmless funding expires. When comparing total compensation as compared to a percentage of expenditures, the District is currently at 89% compensation as a percentage of revenues versus tracking total compensation as a percentage of expenditures. As referenced above, when total compensation is compared as a percentage of revenues.

**2. ESTABLISH AND REVIEW ANNUAL REPORT DESCRIBING DISTRICTS FISCAL RESILIENCE.**

NO REPORT

**3. MAINTAIN FULL-TIME FACULTY OBLIGATION TO NO MORE THAN 2% ABOVE PUBLISHED MINIMUM BY THE CCCC.**

NO REPORT

**4. ESTABLISH THREE-YEAR GOAL TO ACHIEVE CLASSROOM EFFICIENCY STANDARD FOR CONDENSED CALENDAR.**

NO REPORT

**5. ESTABLISH PROCESS TO PERFORM A FIVE-YEAR TREND ANALYSIS COMPARING ONGOING REVENUE, CLASSROOM EFFICIENCY, F.T.E, AND COMPENSATION YEAR TO YEAR.**

NO REPORT

**6. REVIEW ANNUAL LIST OF INSTITUTIONAL PRIORITIES THAT BRING CREDIBILITY AND TRANSPARENCY TO BUDGET DEVELOPMENT.**

NO REPORT

**7. DEVELOP REALISTIC REVENUE AND EXPENDITURE ASSUMPTIONS THAT ARE NOT RELIED UPON FROM FUNDING OF PROPOSED CENTERS.**

NO REPORT