



PGC Budget Committee Meeting

August 27, 2024 1:00 PM – 3:00 PM

MINUTES

Member of Budget Committee: Adil Ahmed (Chair), Yulian Ligioso (A), Garth Kwiecien (A) Susana Atwood (F), Ekaterina (Katia) Fuchs (F), Jessica Buchsbaum (F), Maria Salazar- Colon (C), James Hall (C), David Delgado (C), Petrina Pledger (S), Jenny Thach (S)

Alternates: John Halpin (A), Maria D’Souza (A), E. Simon Hanson (F), Doug Orr (F), Joe Reyes (F), Vaishali Jogi (C), Roxana Vargas-Greenan (C)

Meeting Called to Order at 1:10 PM

No.	Item	Discussion/Outcome
1.	Introductions & Roll Call	VCFA Representative introduced Yulian Liogoso, Interim Vice Chancellor of Finance & Administration. He said a few words and Roll Call was taken. Members Present: Adil Ahmed (Chair), Susana Atwood (F), Jessica Buchsbaum (F), Ekaterina (Katia) Fuchs (F), David Delgado (C), Michael Snider (C), James R. Hall (C) Alternates Present: John Halpin (A), Vaishali Jogi(C), Joe Reyes(F), Roxana Vargas-Greenan Members Absent: Garth Kwiecien (A) E. Simon Hanson (F), Doug Orr(F), Maria D’Souza (A), Jenny Thach (S). Petrina Pledger(S).
2.	Approval of agenda	Moved by committee member Buchsbaum. Seconded by committee member Atwood. Motion approved.
3.	Minutes – August 27, 2024	Moved by committee member Reyes. Seconded by committee member Ahmed. Motion approved. Vice Chancellor of Finance & Administration Ligioso abstained from the vote. Motion approved.
5.	Public Comment	<ul style="list-style-type: none"> • No public comment
6.	Report from Constituent Groups	<ul style="list-style-type: none"> • Associated Students – No report. • Academic Senate – Committee Member Buchsbaum explained that she is representing Academic Senate and expressed her concerns about not having a budget book to review. She wanted to make sure that timelines were aligned when discussing the budget with this and other committees. She hopes that the Budget committee would be able to review the budget book soon

		<p>to have enough time to review and discuss the item prior to it going to the Board for final adoption.</p> <ul style="list-style-type: none"> • Admin Association – No Report. • AFT – Committee – Committee Member Atwood shared her disappointment that the Committee isn’t able to review the budget book. She explained AFT’s main concern is since the District has discovered there is more funds they are hoping to open more sections. • Classified Senate – No Report. • SEIU – No Report.
7.	<p>New Items</p> <ul style="list-style-type: none"> • Audit Services RFQ • Multi Year Projections • Selection of Chair and Co-Chair 	<p>Interim VCFA Ligioso expressed his concern about the budget committee concerns about reviewing the budget book and explained that the Board will not approve the item until September 12, 2024. He suggested that there should be another PGC Budget Committee Meeting prior to that date. The committee discussed it and confirmed September 3, 2024 should be scheduled to discuss the adopted budget at that time.</p> <p>Committee Chair Ahmed provided an explanation of the RFQ process that the District went through to get Auditing Services. He explained that the committee selected CDWL as the District Auditing firm moving forward. Committee member Buchsbaum recommended that the committee moves CDWL as the District Auditors moving forward. Moved by committee member Buchsbaum. Seconded by committee member Ahmed. Motion approved.</p> <p>Committee Chair Ahmed provided an overview of the multi-year projections. He began by discussing revenues and expenditures, and explained that that with Administrative, Academic and Classified salary savings the District generated a surplus ending balance. After explaining where the projections are landing if there are no audit adjustments, the District submits the 311 Report to the state.</p> <p>Committee member Buchsbaum wanted to acknowledge how the District is in better shape than we thought we were back in May to have a 16% reserve.</p> <p>Committee Member Vargas-Greenan asked if all the revenues are from the state or what other resources does the District has.</p> <p>Committee Chair Ahmed explained that if you look at the Multi-year projections we are also getting resources from other state and local revenues. He explained that we also have transferred in monies that were a correction from previous years, such as the mission lease and indirect costs which needed to be booked correctly which created a surplus.</p> <p>Interim VCFA Ligioso wanted the committee to be mindful that although the District landed in a surplus, that this is a one-time adjustment or</p>

	<p>correction. If it hadn't been for that correction the committee would see a much lower surplus.</p> <p>Committee Chair Ahmed explained revenues for FY24-25. He explained that revenue was reduced per the state asking to use a deficit factor of 3.51%. He explained that at the State Annual workshop mentioned there wouldn't be a deficit factor and Districts would receive the revenue. Discussion occurred about the footnotes and modifications. He stated that he would make the modifications as suggested in the final document.</p> <p>Committee Member Atwood stated that in the past the District used 1% of TCR as the deficit factor and asked if it was suggested as something else at the workshop. She asked why we are going along with the workshop versus the 1% of TCR.</p> <p>Interim VCFA Ligioso stated that when you look at the Governor's budget for 24-25, he balanced the budget using 23-24 rainy day funds, doing inter fund transfers, doing deferrals, doing suspensions, to make it balanced. He continued to explain the District had to record a receivable of \$13M dollars, over \$13M of apportion monies that the District is entitled to but the State cannot pay us yet so they deferred that amount which may have impact on the District's cash flow. He continued to explain that if you read the through the state budget document, the state is projecting a significant deficit for next year, and so they introduced the budget factor. He explained that the District is making an assumption that given the State budget picture is not going to improve. He continued to explain that this is a multi-year projection, given to what we know today from the State budget and how it is filtered through the State Chancellor's Office he feels it is prudent to include the deficit factor. He stated the District will provide an update as we get new information.</p> <p>Committee Member Atwood explained that she believes that the deficit factor terminology is being used incorrectly and it has to do with Property taxes that are collected by San Francisco. She explained that every District is different and it depends on their property taxes. She continued explain that this is the big item that affects what the deficit factor will be each time it is posted on the Chancellor's website. She concluded that she agreed with Interim VCFA Ligioso that the COLA may be different because of the State budget, but it is different than how they make the calculation of each district's factor.</p> <p>Interim VCFA Ligioso explained that property tax has nothing to do with deficit factor that the State is introducing. He stated that the deficit factor applies to the total computational revenue and the total computational revenue is comprise of property taxes, enrollment fees, and the educational protection account. The remainder is essentially state apportionment. He stated that the sum of those monies that we are entitled to is not available from the State, and they introduce a deficit</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>factor.</p> <p>Committee Member Atwood explained how she understands the computation because she has calculated it for all the Bay Area Districts every year.</p> <p>Interim VCFA Ligioso explained that because of our property taxes, is just one of the elements that make up how we get funded. He stated the calculation is a separate process, and It's that process that calculates our total computational revenue. So given the monies available will either include a deficit factor or not. He provided an example of property taxes declining state apportionment would go up, and our total computational revenue stays the same, so that the changes are within the composition of the funding sources. He concluded that if you know you're talking about declines and property taxes, then it gets picked up by the apportionment revenue. He suggested to have a meeting with Committee Member Atwood so they can discuss the matter further.</p> <p>Committee Member Hall asked for clarification regarding beginning fund balance. Committee Chair Ahmed clarified the numbers and stated that the District isn't going to move the prepaid mission lease and will make sure that the net ending will be the same. He explained that there may be times where the ending fund balance may not always be the same if there are audit adjustments. Further discussion occurred about the \$1M contingency, Committee Chair Ahmed explained that this is a one-time contingency above and beyond the reserves and is based upon the Districts means in this fiscal year. He stated that based on board policy the fund balance should be between 5 and 9%, and recommending 16.6 7%. As further discussion occurred he explained that the District has a structural deficit for upcoming fiscal years and will look into how to move forward. Committee Member Atwood provided some insight from previous years how the District put in designated funds into the reserve to make the reserve higher. She explained that it is similar to this contingency line. She explained that last year they moved a whole bunch of transfers and put them on hold because they thought there may be a need for a contingency depending upon how negotiations turned out. She explained that the Board is still trying to figure out where to put the line item because they haven't decided where they want to emphasize their priorities.</p> <p>Committee member Buchsbaum expressed her enthusiasm about connecting with the enrollment committee to consider enrollment management moving forward.</p> <p>Committee Chair Ahmed explained that the District is trying to work towards offsetting the deficit that is forthcoming. He explained that moving forward that the District hold harmless in ending in 24/25, and there will be a new funding floor. Committee Member Buchsbaum asked</p>
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>if there was anything that the District could do this academic year. Interim VCFA Ligioso explained hold harmless and the new student formula, and where the District is currently at with FTES.</p> <p>Committee Member Atwood explained other advantages with Hold Harmless and suggested a recommendation. Committee Member Buchsbaum agreed with Committee Member Atwood and made a motion to move that this body recommends that any additional discretionary funds be set aside to expand the schedule to meet student need and demand.</p> <p>Interim VCFA Ligioso explained that depending upon the amount that is being presented, just realized that the spending plan for 24/25 shows a \$1.6M surplus that we are recommending to be placed, and depending on that amount may then end up with a budget deficit or an actual deficit for 24/25.</p> <p>Committee Member Buchsbaum stated that she understands what Interim VCFA Ligioso is stating that there is a carry-over from one year to the next. Discussion occurred. Committee Member Atwood stated that we could actually then take the contingency reserve at \$1M plus the \$1.6M and end up with \$2.6M available, which would conclude to \$400,000 thereafter. Committee Chair Ahmed stated that Committee Atwood was correct and the District will then have a balanced budget. the following amendment was made to the recommendation to read as follows:</p> <p>The Budget Committee recommends to the Board that up to \$2.6M should be set aside to expand the schedule to meet student demand while maintaining a balance budget. The \$2.6M is arrived at by adding together the \$1M contingency reserve and the \$1.6M projected surplus.</p> <p>Committee Member Vargas-Greenan expressed her concerns about the District having a conservative approach moving forwards.</p> <p>Motion is still on the floor. Committee Member Atwood seconded the motion. Committee Member Salazar-Colon expressed her concerns about seeing a plan before making this recommendation. Committee Member Atwood tabled the motion for the recommendation to the upcoming September 3, 2024 PGC Budget Committee Meeting. Committee Member Salazar-Colon seconded the motion. Motion approved.</p> <p>Committee Chair Ahmed asked the committee how they would like to proceed with selecting a Chair and Co. Chair of this committee. Committee member Salazar-Colon expressed her concerns and appreciation of the dialog that Adil has provided this past year. Discussion occurred and Interim VCFA Ligioso explained to the committee that usually the Vice Chancellor generally chairs the committee and he</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

		<p>welcomes the opportunity. He also explained how it is beneficial to have a co-chair who would be selected from this committee. Committee member Salazar-Colon made a motion to select Interim, VCFA Yulian Ligioso as the chair of this committee, and at the upcoming September 3, 2024 meeting the committee will choose the co-chair. Seconded by Committee member Atwood. Motion approved.</p> <p>Committee Atwood expressed her concerns about the chair and co-chair voting. Interim VCFA Ligioso stated that we would research her concern and discuss it at the next meeting.</p> <p>Interim VCFA Ligioso suggested that at the upcoming meeting if the committee could email their nominations to the VCFA office to discuss it at the upcoming meeting it would be appreciated.</p>
8.	Adjournment	<p>Moved by Committee Member Salazar Colon Committee member Fuchs seconded the motion. Meeting adjourned at 3:00 PM.</p>