



**West Valley - Mission**  
Community College District

Board of Trustees  
**Audit and Budget Oversight Committee**

**September 28, 2020**

Join Zoom Meeting  
<https://zoom.us/j/92460372261>

Phone: 1-669-900-6833  
Meeting ID: 924 6037 2261

5:30 p.m. Public Session

Bob Owens, Chair  
Susan Fish, Member  
Randi Kinman, Member

**1.0 CALL TO ORDER – PUBLIC SESSION**

- 1.1 Roll Call
- 1.2 Approval of the Order of the Agenda
- 1.3 Oral Communication

**2.0 REGULAR ORDER OF THE AGENDA**

**2.1 Approval of the August 24, 2020, meeting minutes (A) – Chair**

**2.2 Financial Assessment of high-risk funds (I)**  
This item is informational only.

**2.3 FY 20/21 Final Budget (A)**  
This item may include review, consideration and possible action to accept the FY 20/21 Final Budget.

**3.0 STAFF MEMBERS COMMENTS**

This item offers staff members the opportunity to report on issues not listed in the agenda to which no debate or votes are to be taken.

**4.0 COMMITTEE MEMBERS COMMENTS**

This item offers committee members the opportunity to report on issues not listed in the agenda to which no debate or votes are to be taken.

**5.0 ADJOURNMENT**

WEST VALLEY/MISSION COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
**AUDIT AND BUDGET OVERSIGHT COMMITTEE**

**Date of meeting: August 24, 2020**

UNAPPROVED MINUTES

Membership: Bob Owens, Chair; Susan Fish, Member; Randi Kinman, Member

**1.0 CALL TO ORDER – PUBLIC SESSION**

The meeting was called to order at 5:30pm by Mr. Owens.

**1.1 Roll Call**

	Present	Absent
Fish, Susan	X	
Kinman, Randi	X	
Owens, Bob	X	

Others Present: Ngoc Chim, Brad Davis, Kate Disney, Danny Nguyen

**1.2 Approval of the Order of the Agenda**

The order of the agenda was approved as presented. (Kinman/Fish, 3/0/0)

**1.3 Oral Communication**

None.

**2.0 Regular Order of the Agenda**

**2.1 Approval of the May 26, 2020, meeting minutes (A)**

The May 26, 2020, meeting minutes were approved as presented. (Fish/Kinman, 3/0/0)

**2.2 FY 20/21 GANN Limit (A)**

Ms. Chim reported that the GANN Limit calculation is not usually presented to ABOC for review, but this year the District exceeded its appropriations subject to limitation which triggers the need for a Board resolution and a letter to the State’s Department of Finance. The Board resolution is needed to increase the District’s calculated appropriations limit, and the letter to the Department of Finance is needed to inform it of the District’s action.

There was a motion by Kinman, seconded by Fish, to “accept the FY 20/21 GANN Limit calculation.” The motion passed unanimously.

### 2.3 FY 19/20 4<sup>th</sup> Qtr. Budget Adjustments and Financials (A)

Ms. Chim reviewed the 4<sup>th</sup> Qtr. Budget Adjustments and Financials. The financials reflect year-end totals, and all funds should be in balance. She highlighted the following funds:

- Fund 110 Unrestricted General Fund. Revenues were received as expected and exceeded expenditures. However, WVC closed the year with a \$2.2 million deficit, primarily due to over-spending in academic salaries, and will have to borrow from the fund balance. WVC has made arrangements to pay back the deficit amount within 3 years.
- Funds 12x & 13x – Restricted General Fund (Grants). Revenues and expenditures are at approximately 63%, which is a normal trend; unspent revenue is deferred to the following year.
- Fund 137 – Eco Pass Fund. The fund is only at Mission College and must have a zero balance at year-end. If there are any funds remaining at year-end, they must be returned to the students.
- Fund 138 – Health Services Fund. This fund ended with a surplus primarily due to salary savings, but it is deficit spending. Consolidations of the departments are being considered to help control expenses. This fund will continue to be closely monitored.
- Fund 139 – Parking Fund. The revenue stream for this fund has declined due to COVID. The Public Safety department has worked hard to offset the decrease by reducing expenditures and showed a slight increase in its fund balance. This fund will continue to be closely monitored.
- Fund 291 – Retiree Health Benefit Fund. Both retiree costs and rates are decreasing.
- Fund 330 – Child Development Fund. Expenses exceeded revenues so this fund is deficit spending. COVID has impacted the revenue stream and the fund will need to be closely monitored. WVC has suspended its operation and has reassigned staff and MC may need to do the same, at least for the fall semester.
- Fund 731 – Student Body Center Fee Fund. The revenue stream has been impacted due to COVID. Expenditures in this fund have decreased, but the fund will still be closely monitored.
- Fund 741 – Student Financial Aid Trust Fund. This fund is typically out of balance throughout the year because the District does not draw down funds to cover the expenditures until year-end. The District does this purposely so it does not have to pay interest. This fund is in balance.
- Fund 791 – OPEB Trust Fund & Fund 792 – Pension Stabilization Fund. These are investment funds and both did well in the 4<sup>th</sup> quarter.

The 4<sup>th</sup> Quarter was very good for the District. With the exception of WVC's unrestricted general fund, all funds were in balance.

There was a motion by Fish, seconded by Kinman, to “accept the FY 19/20 4<sup>th</sup> Qtr. Budget Adjustments and Financials and recommend them to the Board for approval.” The motion passed unanimously.

**3.0 Staff Members Comments**

Chancellor Davis commended Ms. Chim for her work since taking on her new position. He also mentioned that the District is working with many different agencies to help colleagues impacted by the California wildfires.

**4.0 Committee Members Comments**

Ms. Fish and Ms. Kinman also thanked Ms. Chim for the seamless transition moving away from Vice Chancellor Maduli. Ms. Kinman added that she would like to have a discussion regarding COVID-19 budget and expenditures, and also a discussion on emergency funds, specifically how to obtain them and then leverage them. Ms. Chim indicated that she would report on COVID-19 as part of the upcoming budget presentation. The discussion on emergency funds will likely take place at a regular Board meeting.

**5.0 Adjournment**

The meeting adjourned at 6:13 PM.

PREPARED BY: NGOC CHIM AND SUSIE MCDONNELL

REVIEWED BY: NGOC CHIM

APPROVED BY: BRADLEY DAVIS

**SUBJECT: 2020/2021 FINAL BUDGET**

**CHANCELLOR'S RECOMMENDATION:**

1. That the Board of Trustees conduct a Public Hearing on October 6, 2020, as part of consideration of this item in order to receive comments on the Final Budget, and
2. That the Board of Trustees adopt the FY 2020/2021 Final Budget.

Funding Source/Fiscal Impact

The Final Budget serves as the District's financial plan for FY 20/21 and serves as the authorization to expend funds as recorded in the budget.

Reference(s)

California Code of Regulations, Title 5, Section 58305 requires that each community college district adopt a final budget by September 15 of each year. Due to the financial uncertainty caused by the COVID-19 pandemic, and subsequent recession, the State extended the deadline for submission.

Background/Alternatives

In accordance with Title 5, Section 58301, a Public Notice was placed in a newspaper of general circulation to announce that the Public Hearing on the District's FY 20/21 Final Budget would be held on October 6, at 7:00 p.m. via Zoom. The Public Notice also announced that the Final Budget was available for inspection at the following libraries in the District's service territory:

West Valley College Library  
Mission College Library  
Campbell Library  
Saratoga Community Library  
Santa Clara Library  
San Jose - West Valley Branch Library

An electronic copy of the Final Budget is also available on the District's website and can be found [here](#).

Significant assumptions and information about the State Budget, which will affect the District's final budget, follow.

Revenue projections for the Unrestricted and Restricted General Funds include the following:

- State Lottery revenue is projected to be \$135/FTES (unrestricted) and \$44/FTES (restricted)
- Twenty-five percent of total ground lease revenues of the Mission-West Valley Land Corporation is divided between two funds, of which 40% is allocated to Fund 110 – Unrestricted General Fund, and 60% is allocated to Fund 136 – Restricted General Fund
- Mandated Cost revenue is projected to be \$28/FTES
- Prop 30 Education Protection Act (EPA) revenue is projected to be \$100/FTES
- Student Enrollment Fees at the same level as FY 19/20
- Secure property tax increase by 5.8%
- State apportionment (entitlement) calculated based on hold harmless provision (FY 18/19 TCR, with no State COLA)

Expenditure assumptions for the Unrestricted and Restricted General Funds include the following:

- 5% salary enhancement
- Retired health benefits fully funded
- PERS mandatory benefit rate increased from 19.72% to 20.70%
- STRS mandatory benefit rate increased from 17.10% to 16.15%
- Unemployment insurance rate remained constant at 0.050%
- Workers' Compensation rate decreased from 1.19% to 1.10%

For the Unrestricted General Fund, the budget is balanced. Key components include:

- Use of community support funds
- Maintain 460 weekly student contact hours (WSCH) efficiency
- Target FTES of 12,100
- Maximum contribution to health benefits – \$11,741 for single, \$22,072 for two party, and \$28,270 for family

For the Restricted General Fund, the categorical program funding will be adjusted for known amounts. The majority of the programs will remain the same as the FY 19/20 budget. Adjustments to the budget will be made in late October after the funds have been allocated by the state.

#### Coordination

This item was coordinated with the Audit and Budget Oversight Committee, District Council, the Executive Management Team (EMT), and the Budget Office.

Follow-up/Outcome

A copy of the Final Budget for FY 2020/2021 will be forwarded to the State Chancellor's office upon Board approval.