

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
MINUTES - BUDGET & FINANCE COMMITTEE
Educational Services Center
Board Room – First Floor
770 Wilshire Boulevard
Los Angeles, CA 90017
Wednesday, June 10, 2015
12:45 p.m. – 2:15 p.m.**

Committee: Ernest H. Moreno, Chair; Mike Eng, Vice Chair. Absent: Steve Veres, Member (Arrived at 1:05 p.m.)

Trustee Moreno called the meeting to order at 12:45 p. m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Enrollment Update

A document entitled "Summer 2015: Credit Enrollment Comparison" was distributed.

Mr. Maury Pearl, Associate Vice Chancellor, Educational Services and Institutional Effectiveness Division gave an overview of Summer 2015 Credit Enrollment Comparison as of Day-16.

For the Record: Trustee Moreno noted that the some of the colleges added sections while reducing average class size, consequently causing a potential economic crisis. He indicated that some of the colleges made a turnaround and that the possibilities are there for improvement. The enrollment data needs to be taken into consideration when making decisions regarding scheduling class sections in order to avoid requesting additional funds from the District. He recommended that this issue be addressed with respect to class sections and recruitment efforts.

Internal Audit Report/Update 'CAP'

A document entitled "Internal Audit Department (IAD) Procurement Audit, Update of Prior Audits Findings, Summary Report" was distributed.

Mr. Arnold Blanshard, Director, Internal Audit Department, discussed the document with respect to the implementation of the corrective action plan for six colleges and the Educational Services Center.

(Trustee Veres arrived at 1:05 p.m.)

A question and answer session was conducted with respect to various issues of concern regarding the procurement audits corrective action plan and the number of findings.

For the Record: Chancellor Francisco C. Rodriguez stated the Committee's concerns are noted and that the purpose of the audit is to identify and fix issues before they become problematic.

Mr. Blanshard distributed and discussed a document entitled "IAD Procurement Audits, Summary Report, June 10, 2015". He indicated that Los Angeles Southwest

College, Los Angeles Trade-Technical College, and West Los Angeles College reports will be brought back to the Committee for further discussion.

There being no objection, Trustee Moreno took out of order 2015-16 Proposed Tentative Budget.

Notice of Tentative Budget

Documents entitled "2015-16 Notice of Tentative Budget, June 10, 2015" and "State Budget Update (June 9, 2015)" were distributed.

Mr. Patrick McCallum, Legislative Advocate, McCallum Group, Inc., gave a summary of the Governor's May Revise proposal and its impact on the LACCD budget. He indicated that negotiations will be finished in two weeks and that the Governor's budget will be adopted thereafter.

Trustee Moreno expressed his concern that basic skills class offerings are very limited and that large populations of students are waiting for these courses to be offered. He recommended that the administration address this issue, which affects a large percentage of the LACCD community.

Ms. Jeanette L. Gordon, Chief Financial Officer, discussed the document with respect to the May Revise--major highlights regarding the unrestricted general fund for general operations, restricted general fund, and other state funding for one-time and ongoing expenditures, Fiscal Year (FY) 2014-15 projected revenue, projected expenditures, and projected ending balance of \$65 million, budget planning priorities, FY 2014-15 full-time equivalent students (FTES) and 2015-16 FTES budget year planning target.

A question and answer session was conducted regarding various components with respect to the 2015-16 proposed tentative budget.

Ms. Gordon continued to discuss the 2015-16 FTES growth scenarios, budget planning assumptions, the 2015-16 allocation of assumptions, 2015-16 proposed tentative budget, and the 2015-16 final budget development.

Motion by Trustee Eng, seconded by Trustees Veres, to recommend to the full Board the adoption of the 2015-16 Tentative Budget as presented with the understanding that Basic Skills and the Student Information System (SIS) Modernization Project funding will be brought back to the Committee for further discussion before the final budget is adopted.

APPROVED: 3 Ayes

- Chancellor's Recommendations

A document entitled Chancellor's Recommendations 2015-16 Proposed Uses of New State Funds, Additional Proposed Funding Priorities and Initiatives" was distributed.

Ms. Gordon discussed the Chancellor's Recommendations for 2015-16 Proposed Uses of New State Funds and added Unfunded STRS and PERS to the list. She indicated that this item will be brought back to the Committee for further discussion.

Banking and Treasure RFP Update

A document entitled "Budget Planning Priorities" was distributed.

Ms. Gordon gave an update on the status of the Banking and Treasury Request for Proposal (RFP).

A question and answer session was conducted with respect to various components regarding the results of the RFPs for banking and treasury services.

FUTURE DISUSSSION/AGENDA ITEMS

- Update on Cost Savings from Master Agreement (Chancellor's Directive #42)

FUTURE BUDGET & FINANCE COMMITTEE MEETING DATES

- July 2015 (TBD)

NEW BUSINESS

None.

SUMMARY – NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 2:31 p.m.