

**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, January 27, 2016
3:00 p.m. – 4:45 p.m.**

Committee: Sydney K. Kamlager, Chair; Ernest H. Moreno, Vice Chair; Mike Eng, Member

Trustee Kamlager called the meeting to order at 3:03 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

2015-16 First Quarter Financial Status Report

A document entitled "2015-16 First Quarter Financial Status Report" was distributed.

Ms. Jeanette L. Gordon, Chief Financial Officer/Treasurer, discussed the document with respect to Projected Ending Balances, Projected Reserves, 2015-16 full-time equivalent students (FTES), and the Budget Plan for Mandated Cost Reimbursement for all nine colleges.

A question and answer session was conducted regarding various components with respect to the \$57.6 Million State Mandated Reimbursement Funds.

2016-17 Governor's Budget

A document entitled "2016-17 Governor's State Budget Proposal" was distributed.

Ms. Gordon discussed the document with respect to Proposition 98, no increase in student fees, major budget highlights regarding access/enrollment, COLA, Strong Workforce grants, Career and Technical Education (CTE) Pathways, Basic Skills, scheduled maintenance and instructional equipment, Proposition 39, zero textbook cost degrees, and the State mandate reimbursement.

A question and answer session was conducted regarding Proposition 39, Adult Education funding, and textbook cost degrees.

Ms. Joanne Waddell, President, Los Angeles College Faculty Guild, expressed her concern that the Governor's budget proposal for the Los Angeles Community College District (LACCD) has critical funding categories that will be concluded in May with no advocate for the LACCD in Sacramento.

Ms. Gordon continued to discuss the Governor's budget proposal and its impact on the LACCD budget, budget cautions and concerns, and the 2016-17 Proposed Budget Planning Assumptions.

A question and answer session was conducted regarding various issues of concerns with respect to the 2015-16 Governor's January proposed budget.

With respect to the \$200 million in Strong Workforce grants and \$48 million CTE Pathways, Trustee Kamlager recommended that the District's grants program application process be reviewed in order to demonstrate to Sacramento that the LACCD, as the largest community college District, is more than deserving of these funds.

Bond Issuance/Underwriter Selection Recommendations

Trustee Kamlager indicated that the Committee's goal is to clarify the process for the pool selection of minority-owned businesses and to support these firms to ensure their success.

Mr. David Brodsky, Managing Director, KNN Public Finance, a Division of Zions First National Bank, discussed the configuration process for the underwriter pool selection that included minority-owned businesses in Senior Manager Positions. He indicated that the final recommendations will be provided at the next Committee meeting for further discussion and approval.

A question and answer session was conducted regarding issues of concern about the LACCD 30 percent rule for contracting work to Local, Small, Emerging, Disabled Veterans (LSEDV) and the lack of the LSEDV participation.

Trustee Eng recommended an audit be conducted on the LACCD 30 percent rule in terms of contracting work to LSEDV in all aspects of procurement for the LACCD.

Trustee Kamlager concurred with Trustee's Eng recommendation.

Trustee Moreno recommended that a presentation be provided regarding the larger banks being assigned the Senior Manager positions as compared to the smaller banks that are better prepared in public finance but are assigned Co-Senior Manager positions.

Mr. Brodsky indicated that this item can be presented for further discussion.

Use of STRS/PERS Allocation

A document entitled "Projected Pension Cost Increase and Reserve Usage" was distributed.

Ms. Gordon discussed the document with respect to the funding plan to cover the projected pension cost increases for Fiscal Years 2015-2016 through 2019-2020.

Associated Student Organization (ASO) Internal Audit

A document entitled "Budget & Finance Committee, Internal Audit Department 2015 Second Quarter Report, January 27, 2016" was distributed.

Mr. Arnold Blanshard, Director, Internal Audit Department, discussed the document regarding the Associated Student Organization (ASO) Audit summary report with

respect to the common findings regarding the ASO Revenue, Donation and Fundraising Activities, Payments, Walkthrough, Bank Reconciliation, and Scholarship.

A question and answer session was conducted regarding various components concerning the common audit findings regarding the overall audit rating and how to address the colleges impaired and needs improvement status

Enrollment Reports

A document entitled "Winter 2016 Credit Enrollment Comparison" was distributed.

Mr. Maury Pearl, Associate Vice Chancellor, Educational Services and Institutional Effectiveness Division gave an overview of Winter 2016 Credit Enrollment Comparison as of Day-7, Spring 2016 Credit Enrollment Comparison as of 28 days prior to the start of the Spring semester, and 2015-16 First Period full-time equivalent students (FTES) Projection.

A question and answer session was conducted regarding various components with respect to the 2015-16 FTES growth targets and enrollment targets.

FUTURE DISCUSSION/AGENDA ITEMS

Trustee Kamlager requested that at a future Committee meeting the following items be presented:

- A review of the LACCD 30 percent rule in terms of contracting work to LSEDV in all aspects of procurement for the LACCD.
- An update on the corrective action plans on the ASO Audit findings.

She announced that a Special Committee meeting will be held on February 10, 2016 at Los Angeles Pierce College at 3:00 p.m. to discuss and approval the Bond underwriter pool recommendations.

FUTURE BUDGET & FINANCE COMMITTEE MEETING DATES

- February 24, 2016

NEW BUSINESS

None.

SUMMARY – NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 4:47 p.m.