



Board of Trustees

LOS ANGELES COMMUNITY COLLEGE DISTRICT
770 Wilshire Boulevard, Los Angeles, CA 90017 213/891-2000

AGENDA

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE
Educational Services Center
Board Room – First Floor
770 Wilshire Boulevard
Los Angeles, CA 90017
Wednesday, January 25, 2017
3:00 p.m. – 4:30 p.m.**

Committee Members
Ernest H. Moreno, Chair
Mike Fong, Vice Chair
Andra Hoffman, Member
Scott J. Svonkin, Board Alternate
Robert B. Miller, Staff Liaison
Jeanette L. Gordon, Staff Liaison
Kathleen F. Burke, College President Liaison
Otto W. K. Lee, College President Liaison Alternate

Agenda

(Items may be taken out of order)

- I. ROLL CALL
- II. PUBLIC SPEAKERS*
- III. REPORTS/RECOMMENDATIONS/ACTION
 - A. Enrollment Update
 - B. 2017-2018 Governor’s Budget
 - C. 2016-2017 First Quarter Financial Status Report
 - D. SIS/Cyber Update
- IV. FUTURE DISCUSSION/AGENDA ITEMS
- V. FUTURE BUDGET & FINANCE COMMITTEE MEETING DATES
 - February 22, 2017
- VI. NEW BUSINESS
- VII. SUMMARY – NEXT MEETINGErnest H. Moreno
- VIII. ADJOURNMENT

*Members of the public are allotted three minutes time to address the agenda issues.

If requested, the agenda shall be made available in appropriate alternate formats to persons with a disability, as required by Section 202 of the American with Disabilities Act of 1990 (42 U.S.C. Section 12132), and the rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, for whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting. To make such a request, please contact the Executive Secretary to the Board of Trustees at 213/891-2044 no later than 12 p.m. (noon) on the Tuesday prior to the committee meeting.



**Enrollment Update
Budget and Finance Committee
January 25, 2017**

1. Comparison of Actual FTES: 2015-16 vs 2016-17

The table below displays actual year-to-date FTES for academic years 2015-16 and 2016-17. FTES reporting is based on fiscal year and since summer semester crosses two fiscal years, summer FTES can be reported in either year. The District reported additional summer FTES in 2015-16 in order to attain 3.2% growth, so Summer II 2016-17 actual FTES was 1,156 lower than in 2015-16 due to the shifting of FTES. Fall 2016-17 FTES was 1,054 (2.5%) lower than Fall 2015-16 FTES, while Winter 2016-17 FTES increased by 112 (2.2%) compared to 2015-16. (Note that since Fall 2016 and Winter 2017 FTES reporting are not yet complete, actual Fall 2015 and Winter 2016 FTES are adjusted for comparability). Based on actual FTES data to date, total District FTES is **2,098 (3.9%)** lower in 2016-17 compared to 2015-16.

Semester	Actual FTES		
	2015-16	2016-17	Change
Summer II	6,680	5,524	-1,156 (-17.3%)
Fall	42,421	41,367	-1,054 (-2.5%)
Winter	5,008	5,120	+112 (+2.2%)
Total (as of 1/18/17)	54,109	52,011	-2,098 (-3.9%)

2. Spring 2017 Credit Enrollment Comparison (Exhibit A)

As of 20 days before the start of the semester (**Day -20**), comparing **Spring 2017 to Spring 2016**:

- **Headcount** is 6% lower,
- **Duplicated Enrollment** is 9% lower,
- **Section Count** is 2% higher, and
- **Enrollment per Section** is 10% lower.

An updated reported will be provided via handout at the meeting.

Exhibit A

SPRING 2017: Credit Enrollment Comparison

Census day for
Spring 2017
(WSCH) is February
21

Day

Day relative to beginning of instruction

-20

Tuesday, January 17, 2017

Tuesday, January 19, 2016

Tuesday, January 20, 2015

HEADCOUNT	City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Spring 2017	11,450	19,531	6,411	7,226	16,096	4,279	9,279	13,383	8,214	773	96,642
Spring 2016	13,017	20,918	7,338	7,421	16,460	4,786	10,241	14,192	8,159	415	102,947
Spring 2015	13,866	21,422	7,973	7,960	16,986	4,958	11,006	15,237	8,226	583	108,217
2017 % of 2016	88%	93%	87%	97%	98%	89%	91%	94%	101%	186%	94%
2017 % of 2015	83%	91%	80%	91%	95%	86%	84%	88%	100%	133%	89%

ENROLLMENT	City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Spring 2017	28,776	51,273	17,213	17,043	42,517	9,993	22,786	33,130	20,038	964	243,733
Spring 2016	34,252	55,998	20,390	18,164	43,499	11,669	25,621	36,090	20,706	523	266,912
Spring 2015	37,039	58,365	22,640	19,883	46,052	12,187	27,681	39,757	20,627	795	285,026
2017 % of 2016	84%	92%	84%	94%	98%	86%	89%	92%	97%	184%	91%
2017 % of 2015	78%	88%	76%	86%	92%	82%	82%	83%	97%	121%	86%

SECTION COUNT	City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Spring 2017	1,399	2,325	1,025	701	1,664	519	1,252	1,541	920	19	11,365
Spring 2016	1,467	2,215	999	640	1,622	614	1,222	1,501	891	18	11,189
Spring 2015	1,485	2,060	966	623	1,612	571	1,086	1,439	781	18	10,641
2017 % of 2016	95%	105%	103%	110%	103%	85%	102%	103%	103%	106%	102%
2017 % of 2015	94%	113%	106%	113%	103%	91%	115%	107%	118%	106%	107%

Enrollment divided by Section	City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Spring 2017	20.6	22.1	16.8	24.3	25.6	19.3	18.2	21.5	21.8	50.7	21.4
Spring 2016	23.3	25.3	20.4	28.4	26.8	19.0	21.0	24.0	23.2	29.1	23.9
Spring 2015	24.9	28.3	23.4	31.9	28.6	21.3	25.5	27.6	26.4	44.2	26.8
2017 % of 2016	88%	87%	82%	86%	95%	101%	87%	89%	94%	175%	90%
2017 % of 2015	82%	78%	72%	76%	89%	90%	71%	78%	82%	115%	80%

Source: LACCD Student Information System, DAILYCRNCRX and SESSION_FTES_DETAIL tables.

*Enrollment and Section count: Includes Credit PA, WSCH, DSCH, and Ind Study. Excludes Work Exp, Non-Credit Adult Ed, and Non-Credit Tutoring.



LOS ANGELES COMMUNITY COLLEGE DISTRICT

2017-18 Governor's State Budget Proposal

Budget and Finance Committee January 25, 2017

2017-18 Governor's Proposal

- ▶ Proposition 98 guarantee for K-14 estimated at \$73.5 billion – a \$953 million decrease from last year
- ▶ Community Colleges will receive 10.87% share of Prop 98 funding or \$8 billion.
- ▶ No increase in Student Fees

Major Budget Highlights

- \$ 79.3 million for Access/Enrollment – 1.34% growth in FTES
 - LACCD = \$ 7.4m
- \$ 94.1 million for COLA – estimated statutory COLA is 1.48%
 - LACCD = \$ 8.4m
- \$ 23.6 million in base apportionment increase
 - LACCD = \$ 2.2m
- \$150.0 million in Guided Pathways Grants
 - LACCD = \$14.1m
- \$ 43.7 million in Scheduled Maintenance & Instructional Equipment
 - LACCD = \$ 4.1m
- \$ 52.3 million in Prop 39 (Energy Efficiency)
 - LACCD = \$ 4.9m
- \$ 5.4 COLA for EOPS, DSPS, CalWORKs, Child Care tax bailout and apprenticeship (LACCD = \$500,000)

Potential Impact to LACCD

Description	Final Signed Budget 2016-17		Governor's January Proposal 2017-18	
	System	LACCD	System	LACCD
General Fund				
Increased Access (1.34% in FY2017-18; 2.0% in FY2016-17)	114,700,000	10,700,000	79,300,000	7,400,000
COLA (1.48% in FY2017-18)	-	-	94,100,000	8,800,000
Base augmentation	75,000,000	6,800,000	23,600,000	2,200,000
Apprenticeship	1,800,000	24,000	-	-
Total Ongoing Base Increase	191,500,000	17,524,000	197,000,000	18,400,000
Categorical/Restricted				
COLA for EOPS, DSPPS, CALWorks	-	-	5,400,000	500,000
Guided Pathways	-	-	150,000,000	14,100,000
Part Time Office Hours	3,600,000	326,000	-	-
Puente/Mesa/CalWORKs restoration	11,100,000	1,019,000	-	-
Career Technical Education (Pathways Grant)	48,000,000	grant	-	-
Proposition 39	49,300,000	4,500,000	52,300,000	4,900,000
Workforce - to system (60%)	120,000,000	11,000,000	-	-
Workforce - to region (40%)	80,000,000	-	-	-
Basic Skills (7%)	30,000,000	2,100,000	-	-
Scheduled Main/Instructional Equipment	184,500,000	16,900,000	43,700,000	4,100,000
Data Security/TTIP/Inmate E-readers	15,000,000	1,400,000	-	-
Institutional Effectiveness	10,000,000	?	-	-
Innovation Awards	25,000,000	?	20,000,000	?
Open Education Resources (Zero Textbook Cost)	5,000,000	?	-	-
Adult Ed - system office	5,000,000	-	-	-
Online Education Initiative - system office	20,000,000	-	10,000,000	-
Equal Employment Opportunity Program	2,300,000	200,000	-	-
OutReach	2,500,000	?	-	-
Integrated Library System - system office			6,000,000	-
Total Categorical/Restricted	611,300,000	37,445,000	287,400,000	23,600,000
Other/one time				
Mandate Reimbursements	105,500,000	9,700,000	-	-
Cal Grant B (to Students)	2,200,000	-	3,100,000	-
Total Other/One Time	107,700,000	9,700,000	3,100,000	-
Grand Total	910,500,000	64,669,000	487,500,000	42,000,000

Budget Cautions and Concerns

▶ California Economy

- ▶ 2016-17 Revenues are below projections
- ▶ Reliance on Top 1% of taxpayers causes revenue volatility
- ▶ Economists predicting the end of economic expansion

▶ Federal Policy Changes

- ▶ Uncertainties with change in the Federal Administration

▶ Pension Cost Increases

- ▶ CalPERS reduction in rate of return assumptions will increase LACCD contribution rates.

2017-18 Proposed Budget Planning Assumptions

- ▶ The Budget will be based on Governor's State Proposed Budget released in January 2017
- ▶ The Budget Plan will reflect the Board's visions and priorities to support the educational programs and services of the district
- ▶ Focus on Student Success and improve Student Equity
- ▶ Meet accreditation standards
- ▶ Cover hiring of full-time faculty to maintain the Faculty Obligation Number
- ▶ Address District's long term liabilities (STRS/PERS, etc.)
- ▶ Maintain a minimum of 10% reserves



LOS ANGELES COMMUNITY COLLEGE DISTRICT

2016-17 First Quarter Financial Status Report

Budget and Finance Committee January 25, 2017

Projected Ending Balance

Projected Revenue	\$648.2 million
Projected Expenditures	<u>\$662.0 million</u>
Projected Revenue vs Expenditures	\$-13.8 million
Balances Carried Forward for 2016-17	\$134.4 million
Adjustment to Beg Bal	<u>\$ 2.2 million</u>
Projected Ending Balance	\$122.8 million
Percent of Projected Expenditures	19.1%

Projected Reserves

General Reserve (6.5%)	41,357,419
Contingency Reserve (3.5%)	19,969,380
Deferred Maintenance	0
Balances/Open Orders	28,251,448
Prop 30 Reserve	8,500,000
STRS/PERS Reserve	<u>24,714,165</u>
Total Projected Reserves as of June 30, 2016	122,792,412

FTEs

- 2016-17 Funded Base = 107,601
- 2016-17 Budget Year Target = 109,753
 - Planning Growth Target = 2.0%
 - State Funded Enrollment Growth = 2.0%