



Board of Trustees

Los Angeles Community College District

Agenda

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE
Educational Services Center
Board Room
770 Wilshire Boulevard
Los Angeles, CA 90017
Wednesday, June 20, 2018
4:30 p.m. – 5:45 p.m.**

Committee Members
Andra Hoffman, Chair
Ernest H. Moreno, Vice Chair
Vacant, Member
Mike Fong, Board Alternate
Robert B. Miller, Staff Liaison
Jeanette L. Gordon, Staff Liaison
Kathleen F. Burke, College President Liaison
James M. Limbaugh, College President Liaison Alternate

Agenda

(Items may be taken out of order)

I. Roll Call

II. Public Speakers*

III. Reports/Recommendations/Action

- A. 3rd Quarter Financial Report-College Projections
- B. New Funding Formula
- C. Enrollment Update
- D. HR Assessment Update
- E. Internal Audit Quarterly Report & 2018-2019 Audit Schedule

IV. Future Discussion/Agenda Items

V. Future Budget and Finance Meeting Dates

- August 22, 2018

VI. New Business

VII. Adjourn

*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.



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**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE**

A. 3RD Quarter Financial Report-College Projections

Los Angeles Community College District
2017-18 Current Budget Allocation and Projected Expenditures
Unrestricted General Fund
As of March 31, 2018

College	Current Budget	Projected Expenditure as of June 30, 2018	Additional College Revenues	Other Savings	Other Adjustment	Revised Total Budget with College Augmentation	Projected Balance
	a	c	d	e	f	g = a + d + e + f	h = g - c
City	59,273,022	59,245,000	0	0	0	59,273,022	28,022
East	121,827,932	121,625,992	12,396	0	0	121,840,328	214,336
Harbor	35,438,557	35,943,762	0	0	0	35,438,557	(505,205)
Mission	35,280,811	37,344,692	63,947	0	0	35,344,758	(1,999,934)
Pierce	77,109,368	77,969,232	50,219	0	918,000	78,077,587	108,355
Southwest	29,505,713	32,499,934	0	0	0	29,505,713	(2,994,221)
Trade-Tech	61,457,999	61,577,702	141,967	0	0	61,599,966	22,264
Valley	64,774,563	63,451,725	150,001	0	0	64,924,564	1,472,839
West	45,293,271	44,785,563	115,749	0	0	45,409,020	623,457
ITV	1,556,116	1,479,086	0	0	0	1,556,116	77,030
ESC	39,836,596	38,132,395	0	0	0	39,836,596	1,704,201
Total	571,353,948	574,055,083	534,279	0	918,000	572,806,227	(1,248,856)



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B. New Funding Formula

COMMUNITY COLLEGE UPDATE

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Conference Committee Releases Framework for 2018-19 State Budget Compromise

On Friday, June 8, 2018, Governor Jerry Brown and the Democratic legislative leadership announced that they had reached a deal for the 2018-19 State Budget. A few hours later the legislative Budget Conference Committee (Conference Committee) released its close out agenda, which provides the framework of the compromise reached between Governor Brown and the Democratic leaders. Although the Budget package will not be official until the Conference Committee votes on it later this evening, we provide the details of the compromise below.

Governor Brown was able to get both the online college and the new funding formula included in the compromise package despite the Assembly originally rejecting both proposals and the Senate rejecting the formula.

The Conference Committee will adopt a modified version of the Senate's online college proposal, which will include the following:

- \$120 million (\$20 million ongoing) to create a new online community college to be administered by the Board of Governors (BOG)
- The new college would develop courses and programs that lead to short-term credentials and certifications with labor market value and are not duplicative of programs offered at existing colleges
- \$35 million in one-time funds to the Online Education Initiative for competitive grants to community college districts to develop online programs, courses, and content
- Requires new CEO to be part of collective bargaining
- Removes the ten-year sunset
- Establishes a timeline for accreditation by requiring the new college to provide evidence to the Department of Finance (DOF) and the Legislature that it has achieved accreditation candidacy or pre-accreditation by 2022 and full accreditation by 2025
- Prohibits the new college from charging fees higher than a traditional college
- Requires the new college to develop short-term programs that lead into pathways offered at existing community colleges
- Requires the Chancellor's Office to review and make recommendations on (1) noncredit funding rates and make recommendations to encourage the development of competency-based programs, and (2) the statewide approval process to offer an online course under a flexible calendar

The Conference Committee will adopt the new funding formula with the following provisions:

- A three-year phase-in that begins by providing 70% enrollment-based funding, 20% funding based on the enrollment of low-income students, and 10% funding based on performance outcomes
- Over a three-year period the formula would shift to 60% enrollment-based funding, 20% funding based on the enrollment of low-income students, and 20% funding based on performance outcomes
- A hold-harmless provision that will guarantee all colleges at least a cost-of-living increase for three years
- An increase to community college apportionments of \$378 million Proposition 98 funding in 2018-19
 - Of this funding, \$151 million is for the base allocation, \$24 million is for the hold-harmless provision, and \$34 million is one-time discretionary funding for colleges
- A definition of low-income students that includes students eligible for the Pell Grant or the California Promise Grant (formerly BOG Fee Waiver)
- A blended equity success measure that rewards colleges for successful outcomes for both Pell-eligible and California Promise Grant students
- The May Revision success metrics, which reward colleges for associate's degrees awarded, associate degree for transfers awarded, certificates of 18 or more units awarded, completion of nine or more Career Technical Education units, transfers to a four-year institution, completion of transfer-level math or English, and attainment of a living wage (extra points are earned for any of these successes for low-income students)
- The creation of an oversight entity, with representatives chosen by Governor Brown, the Senate Rules Committee, and the Speaker to continually monitor implementation of the funding formula and make recommendations to the Legislature, Governor Brown, and Chancellor for its improvement

The compromise also includes \$50 million in ongoing funding to increase full-time faculty; \$50 million in one-time funding to increase part-time faculty office hours; \$8.5 million in one-time funding for Veteran Resource Centers; \$10 million in one-time funding for the California State Pathways in Technology (P-TECH) Program; \$23 million in one-time funding for deferred maintenance; \$10 million in one-time funding for mental health services; and \$10 million in one-time funding to provide legal services for undocumented or immigrant students.

The Budget package approves Governor Brown's proposed Proposition 98 certification process with some slight modifications. The DOF will publish a final calculation of the prior-year minimum guarantee (inclusive of its calculation factors) with the May Revision, triggering a public comment period. As part of the compromise, there will also be a legislative review period prior to the final Proposition 98 certification and if there are no challenges, the certification becomes final. Any funding provided above the minimum guarantee may be used as credit toward future minimum guarantee obligations and any amount owed would be paid over a specified period. However, the Legislature retains its ability to adopt an alternative plan for allocating any settle-up funds owed to schools.

The Budget bill, Senate Bill 840, is due to Governor Brown by midnight next Friday, June 15, 2018. Due to the passage of Proposition 54 (2016) any legislation, including the Budget package that will be passed by the

Conference Committee later tonight, must be in print in its final form for at least 72 hours before the Legislature can take action on it. Budget trailer bills, legislation necessary for enacting provisions of the to-be-adopted State Budget, are also expected to be in print and voted on by the Legislature next week.

Click [here](#) to find the Conference Committee close out agenda, which details all of the Committee's assumed actions on the Budget. We will keep you posted and let you know when the Conference Committee officially takes action.

—SSC Governmental Relations Team

posted 06/08/2018

**Los Angeles Community College District
2018-19 Budget Projection Additions/(Deletions)
June 11, 2018**

General Fund	Description	Final Signed Budget 2017-18		Governor's January Proposal 2018-19		Governor's May Revise 2018-19		Conference Committee 2018-19		Jun vs May Change to LACCD
		System	LACCD	System	LACCD	System	LACCD	System	LACCD	
	Increased Access (1% in FY2018-19; 1.0% in FY2017-18) ⁽⁴⁾	57,800,000	5,500,000	60,000,000	5,800,000	60,000,000	5,800,000	60,000,000	5,800,000	-
	COLA (2.71% in FY2018-19; 1.56% in FY2017-18)	97,600,000	9,200,000	161,200,000	15,500,000	173,100,000	16,400,000	173,100,000	16,400,000	-
	Funding Formula Transition ⁽¹⁾	183,600,000	16,400,000	175,000,000	?	279,000,000	?	269,000,000	?	(210,000)
	augmentation in 2017-18)	-	-	18,000,000	166,000	22,800,000	210,000	-	-	4,800,000
	Apprenticeship	-	-	-	-	-	-	-	-	-
	Full Time Faculty Funding	-	-	-	-	-	-	-	-	-
	Total Ongoing Base Increase	339,000,000	31,100,000	414,200,000	21,466,000	534,900,000	22,410,000	552,100,000	27,000,000	4,590,000
	Categorical/Restricted									
	COLA for EOPS, DSPS, CALWorks, Child Care tax bailout ⁽²⁾	5,700,000	500,000	7,300,000	700,000	8,059,000	800,000	8,059,000	800,000	-
	Guided Pathways ⁽³⁾	150,000,000	12,800,000	-	-	-	-	-	-	-
	Certified Nursing Assistant ⁽¹⁾	-	-	2,000,000	?	2,000,000	?	2,000,000	?	-
	Proposition 39	38,900,000	3,700,000	-	-	-	-	-	-	-
	Adult Ed Data Sharing	-	-	5,000,000	-	5,000,000	-	5,000,000	-	-
	Adult Ed - COLA	-	-	20,500,000	196,000	21,500,000	211,000	22,500,000	211,000	-
	Scheduled Main/Instructional Equipment	76,900,000	7,300,000	275,000,000	26,400,000	143,500,000	13,800,000	28,500,000	2,700,000	(11,100,000)
	CCCCC System Office	-	-	2,000,000	-	2,000,000	-	2,000,000	-	-
	Innovation Awards (grant based)	20,000,000	?	20,000,000	?	20,000,000	?	-	?	-
	Online Education Initiative - system office	10,000,000	-	120,000,000	-	120,000,000	-	120,000,000	-	-
	College Promise ⁽¹⁾⁽²⁾	-	-	46,000,000	4,400,000	46,000,000	4,400,000	46,000,000	4,400,000	-
	Integrated Library System - system office	6,000,000	-	-	-	-	-	-	-	-
	Total Categorical/Restricted	307,500,000	24,300,000	497,800,000	31,696,000	368,059,000	19,211,000	234,059,000	8,111,000	(12,485,000)
	Other/one time									
	Cal Grant B (to Students)	-	-	32,900,000	-	40,700,000	-	40,700,000	-	-
	Apprenticeship (one-time)	-	-	30,600,000	282,000	36,500,000	336,000	36,500,000	336,000	-
	Open Educational Resources	-	-	-	-	6,000,000	?	6,000,000	?	-
	Course Identification Numbering	-	-	-	-	685,000	?	685,000	?	-
	Next Up (CAYFES)	-	-	5,000,000	?	5,000,000	?	5,000,000	?	-
	New Financial Aid System - system office	-	-	18,500,000	-	18,500,000	-	18,500,000	-	-
	P Tech	-	-	-	-	10,000,000	-	10,000,000	-	-
	Re-entry for formerly incarcerated ⁽²⁾	-	-	-	-	5,000,000	500,000	5,000,000	500,000	500,000
	Career Readiness for Refugees ⁽²⁾	-	-	-	-	5,000,000	500,000	5,000,000	500,000	500,000
	Online Education Initiative ⁽²⁾	-	-	-	-	35,000,000	3,400,000	35,000,000	3,400,000	3,400,000
	Part Time Faculty Office Hours ⁽²⁾	-	-	-	-	50,000,000	4,800,000	50,000,000	4,800,000	4,800,000
	Legal Services for Undocumented ⁽²⁾	-	-	-	-	10,000,000	1,000,000	10,000,000	1,000,000	1,000,000
	Mental Health Services ⁽²⁾	-	-	-	-	10,000,000	1,000,000	10,000,000	1,000,000	1,000,000
	Hunger Free Campuses ⁽²⁾	-	-	-	-	10,000,000	1,000,000	10,000,000	1,000,000	1,000,000
	Veterans Resource Center ⁽²⁾	-	-	-	-	8,500,000	800,000	8,500,000	800,000	800,000
	Total Other/One Time	-	-	63,500,000	282,000	40,700,000	336,000	250,885,000	13,336,000	13,000,000
	Grand Total	646,500,000	55,400,000	975,500,000	53,444,000	943,659,000	41,957,000	1,037,044,000	48,447,000	5,105,000

⁽¹⁾ Subject to change; pending information from State Chancellor's Office.
⁽²⁾ Projected amount is based on the proportional share of LACCD FTES to the State system, currently 9.6%.
⁽³⁾ LACCD projected amount based on FTES share; could be grant based.
⁽⁴⁾ Currently 1 % growth is not likely for LACCD and is not included on 5 year forecasts.



**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE**

C. Enrollment Update



**Enrollment Update
Budget and Finance Committee
June 20, 2018**

1. Summer 2018 Districtwide Credit Enrollment Comparison (Exhibit A)

As of **Day 2** of the Summer semester, comparing Summer 2018 (6/13/18) to Summer 2017 (6/14/17):

- **Headcount** is 4% lower,
- **Duplicated Enrollment** is 6% lower,
- **Credit Section Count** is 5% lower, and
- **Enrollment per Section** is unchanged.

An updated report for Summer 2018 will be provided.

2. Fall 2018 Districtwide Credit Enrollment Comparison (Exhibit B)

As of **Day -75** of the Fall semester, comparing Fall 2018 (6/13/18) to Fall 2017 (6/14/17):

- **Headcount** is 27% higher,
- **Duplicated Enrollment** is 25% higher,
- **Credit Section Count** is 3% lower, and
- **Enrollment per Section** is 29% higher.

Since Fall 2018 enrollment began approximately a month earlier than Fall 2017, the relative day comparison based on days before the start of the semester overstates the enrollment increase. At this time it is not clear that estimates based on alternative timing concepts provide a more accurate measure of enrollment.

An updated report for Fall 2018 will be provided.

Census day for most classes: 6/14 and 6/17-19 for Summer 1 and 7/19 for Summer 2

Day

2

Day relative to beginning of instruction

Wednesday, June 13, 2018

Wednesday, June 14, 2017

HEADCOUNT	City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Summer 2018	6,546	11,718	2,749	3,646	8,101	2,393	5,421	6,521	6,335	467	53,897
Summer 2017	6,871	13,398	3,310	3,239	8,099	2,756	5,614	6,454	6,040	568	56,349
2018 % of 2017	95%	87%	83%	113%	100%	87%	97%	101%	105%	82%	96%

ENROLLMENT	City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Summer 2018	8,650	16,233	3,553	4,843	11,684	3,541	7,306	8,857	8,927	497	74,091
Summer 2017	9,428	18,479	4,294	4,307	11,544	4,143	7,953	8,933	8,798	602	78,481
2018 % of 2017	92%	88%	83%	112%	101%	85%	92%	99%	101%	83%	94%

SECTION COUNT	City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Summer 2018	286	605	97	142	394	106	346	295	265	36	2,572
Summer 2017	295	703	119	133	395	140	332	323	268	10	2,718
2018 % of 2017	97%	86%	82%	107%	100%	76%	104%	91%	99%	360%	95%

Enrollment divided by Section	City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Summer 2018	30.2	26.8	36.6	34.1	29.7	33.4	21.1	30.0	33.7	13.8	28.8
Summer 2017	32.0	26.3	36.1	32.4	29.2	29.6	24.0	27.7	32.8	60.2	28.9
2018 % of 2017	95%	102%	102%	105%	101%	113%	88%	109%	103%	23%	100%

Source: LACCD Student Information System, PS_CLASS_TBL, PS_STDNT_ENRL tables.

*Enrollment and Section count: Includes Credit PA, WSCH, DSCH, Ind Study, and Work Exp. Excludes Non-Credit Adult Ed and Non-Credit Tutoring. 2017 Section count reflects the information as of the end of the term (instead of the relative day listed above).

Day
-75

Day relative to beginning of instruction
Wednesday, June 13, 2018
Wednesday, June 14, 2017

Census day for Fall 2018 (WSCH) is September 10

HEADCOUNT		City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Fall 2018		5,894	10,664	3,395	3,957	9,163	2,183	4,747	8,162	3,924	190	52,279
Fall 2017		4,789	8,843	2,526	2,953	7,982	1,333	3,575	6,296	2,672	132	41,101
2018 % of 2017		123%	121%	134%	134%	115%	164%	133%	130%	147%	144%	127%

ENROLLMENT		City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Fall 2018		14,250	27,279	8,220	9,321	24,115	4,998	11,391	19,503	8,234	265	127,576
Fall 2017		11,551	22,797	6,342	6,755	21,408	2,934	8,552	15,944	5,693	185	102,161
2018 % of 2017		123%	120%	130%	138%	113%	170%	133%	122%	145%	143%	125%

SECTION COUNT		City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Fall 2018		1,330	2,254	839	678	1,671	482	1,155	1,585	879	84	10,957
Fall 2017		1,293	2,562	863	708	1,624	505	1,192	1,514	959	84	11,304
2018 % of 2017		103%	88%	97%	96%	103%	95%	97%	105%	92%	100%	97%

Enrollment divided by Section		City	East	Harbor	Mission	Pierce	Southwest	Trade	Valley	West	ITV	Total
Fall 2018		10.7	12.1	9.8	13.7	14.4	10.4	9.9	12.3	9.4	3.2	11.6
Fall 2017		8.9	8.9	7.3	9.5	13.2	5.8	7.2	10.5	5.9	2.2	9.0
2018 % of 2017		120%	136%	133%	144%	109%	178%	137%	117%	158%	143%	129%

Source: LACCD Student Information System, PS_CLASS_TBL, PS_STDNT_ENRL tables.
 *Enrollment and Section count: Includes Credit PA, WSCH, DSCH, Ind Study, and Work Exp. Excludes Non-Credit Adult Ed and Non-Credit Tutoring. 2017 Section count reflects the information as of the end of the term (instead of the relative day listed above).



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**LOS ANGELES COMMUNITY COLLEGE DISTRICT
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D. HR Assessment Update



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**LOS ANGELES COMMUNITY COLLEGE DISTRICT
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E. Internal Audit Quarterly Report & 2018-2019 Audit Schedule