

Los Angeles Community College District
Board Committee Minutes: Budget & Finance Committee
January 23, 2019

Committee Members: Andra Hoffman, Chair
Ernest H. Moreno, Vice Chair
David Vela, Member
4:30 p.m. – 5:45 p.m.

Trustee Hoffman, Chair called the meeting to order at 4:34 p.m.

ROLL CALL

On roll call, the following committee members were present: Trustee Hoffman, Trustee Moreno, and Trustee Vela

AGENDA ITEMS

PUBLIC SPEAKERS

None

RECOMMENDATION ITEMS

None

INFORMATION ITEMS

Brief Summary of the Topic (s) discussed

2019-2020 Governor's Budget Updates

Ms. Jeanette Gordon, Chief Financial Officer/Treasurer, deferred to Dr. Robert Miller, Vice Chancellor of Finance and Resource Development, who reported on the FY 2019-2020 Governor's Budget Updates. Dr. Miller discussed the Association of Chief Business Officials (ACBO) budget workshop held on January 16, 2019 in Sacramento with respect to the FY 2019-2020 Budget Proposal Analysis.

He noted that districts are encouraged to build reserves to address uncertainties that may arise from implementation of the student centered funding formula (SCFF). He explained that the state is maintaining the same allocation model for FY 2019-2020 with funding at 70% based on enrollment, 20% based on access metrics, and 10% based on student success measures. Maintaining the formula at these percentages will allow for analysis and validation of the data reported by colleges to the State Chancellor's Office. In addition, a Student Centered Funding

Formula Oversight Committee will review funding formula issues and provide recommendations to the legislature. Other areas of emphasis at the state level are using multi-year projections based on industry standards for budget and planning by aligning all funding sources with the State's Vision for Success, more progress in terms of the faculty-hiring goal of 75/25, and the districts' fiscal health.

A question and answer session was conducted on the information presented.

Dr. Miller reviewed a handout entitled "California Community College League Review of the Governor's Proposed Budget for FY2019-2020". With regards to education, notable expenditures include a second year of free tuition to first time full-time students through College Promise strategies, an increase of award amounts and an expansion of Cal Grant programs, a buy-down of K-14 STRS rate increases, and ongoing increases to funding formula rates.

A question and answer session was conducted on the information presented.

Trustee Vela inquired as to incentivizing fiscal prudence and stability for LACCD colleges that have not done so in the past. In response, Ms. Gordon suggested addressing these items at the local level as the LACCD Allocation Model is an active work in progress.

Trustee Vela inquired as to data on needs assessment so that we can better support our students by making wise investments. Chancellor Rodriguez referenced two immediate investments forthcoming:

- 1) Supporting the transition to AB705 by providing the additional supports needed for placement into college level English and Math; and,
- 2) Financial Aid outreach activities, which helps in the areas of completion and equity.

Dr. Miller continued his report with an update on the ongoing efforts with the LACCD Allocation model scenarios, noting the following categories for recommendation to the Executive Committee of the District Budget Committee (ECDBC) and District Budget Committee (DBC):

- FON Funding Obligation (the delta on faculty salaries)
- PERS/STRS Funding Reserves
- LACCD SCFF Budget Allocation Model Transition Fund
- Reserve for SCFF uncertainty
- Operational transition funding for AB705
- General distribution to colleges

2018-19 First Quarter Financial Status by Location

Ms. Jeanette Gordon, Chief Financial Officer/Treasurer, referenced a document entitled "LACCD 2019-20 Budget Projection Additions/ (Deletions) as of January 11, 2019". The document summarizes a comparison of the current year's final budget with the Governor's proposed budget for FY2019-2020. The "2018-19 Current Budget Allocation and Projected Expenditures – Unrestricted General Fund as of September 30, 2018" was distributed and reviewed.

A question and answer session was conducted on the information presented.

In regards to how the colleges operate in relation to the Educational Services Center (ESC), Trustee Hoffman requested an analysis for operational efficiency be provided at some point. Dr. Miller noted that we are looking at centralizing certain services within the new allocation model and there is ongoing conversations on this subject.

Enrollment Update

Dr. Miller referenced a memorandum entitled, "Enrollment Update" dated January 23, 2019, which outlines the first period FTES projection, districtwide daily enrollment comparison, and SCFF metrics. Additional handouts include, "2018-2019 First Period FTES Report", "Winter 2019: Credit Enrollment Comparison", "Spring 2019: Credit Enrollment Comparison", and "Spring 2019: Enrollment Report: SCFF Metrics".

A question and answer session was conducted on the information presented.

Student Centered Funding Formula (SCFF) Budget Allocation Model Update

Ms. Jeanette Gordon reviewed the document entitled, "LACCD Allocation Model Development Timeline" and noted that there is an upcoming meeting with the ECDBC to discuss allocation model simulations and recommendations.

Trustee Hoffman requested a presentation to the Board on the new budget allocation model at a future meeting.

Trustee Moreno inquired as to the impact to the LACCD, given the new funding formula, and the need to support our students that come to our colleges underprepared. In response, Angela Echeverri, District Academic Senate, acknowledged Trustee Moreno's concern noting that the position of the Academic Senate is to support our students as they are going into the transfer level Math and English courses.

Chancellor Rodriguez reminded the Budget & Finance Committee that through the SCFF action plans, colleges have outlined how to greater serve their respective communities and become a destination hub for education and career paths through programs such as Adult Education, Dual Enrollment, College Promise, and Online Education. In addition, colleges have an opportunity to reach out to a high number of students that applied to attend various LACCD colleges but never enrolled. The colleges will be pursuing these opportunities.

HR Assessment Update

Trustee Moreno reported that an update would be provided at the next Budget & Finance Committee meeting scheduled for February 20, 2019 as the Ad-Hoc Committee continues reviewing information.

Adjournment

There being no objection, the meeting adjourned at 5:38 p.m.