

**Membership**

## District Budget Committee

July 18, 2018

1:30 pm – 3:30 pm

Educational Services Center, Board Room

**Academic Senate**

Holly Bailey-Hofmann  
 Lourdes Brent  
 Angela Echeverri  
 Jeff Hernandez\*  
 Robert L Stewart Jr.  
 Dan Wanner

**Faculty Guild**

Joseph Guerrieri  
 Sandra Lee  
 John McDowell  
 Rodger Mc Guinness  
 Olga Shewfelt  
 Joanne Waddell

**Unions/Association**

Arif Ahmed  
 Kathleen Becket  
 Velma Butler/Shirley Chen  
 Iris Ingram  
 Paulina Palomino  
 Vacant-Build& Const Trade

**College Presidents**

Sheri Berger\*\*  
 Erika A. Endrijonas\*  
 Larry Frank  
 Mary Gallagher  
 Otto W. Lee  
 James M. Limbaugh  
 Marvin Martinez  
 Denise Noldon\*\*  
 Monte Perez

**STUDENT TRUSTEE  
REPRESENTATIVE**

James Ingram

\* Co-chairs

\*\*Interim

1. Call to Order (*Jeff Hernandez*)
2. Approval of Agenda
3. Approval of Minutes for June 13, 2018
4. Chancellor's Remarks/Updates
5. New Funding Model (Cornner/Miller)
6. ECDBC Reports and Recommendations
7. Enrollment Update (Cornner)
8. August Meeting Date (Gordon)
9. DBC Recommendations to the Chancellor
10. Items to Be Addressed by ECDBC
11. Other Business

*Future DBC Meetings: Aug ?, Sep 19, Oct 17, Nov 21, Jan 30, Feb 13, Apr 10, May 8, Jun12*

*Future ECDBC Meetings: Jul 21, Aug 28, Sep 25, Oct 30, Nov 27, Jan 8, Jan 29, Feb 26, Mar 26, Apr 23, May 21, June 25*

Supporting Documents can be found at:

<http://laccd.edu/Departments/DistrictLevelGovernance/DBC/Pages/default.aspx>

# Los Angeles Community College District

## District Budget Committee Meeting Minutes

June 13, 2018

1:30-3:30 pm, Educational Services Center, Board Room

**Roll Call**    X Indicates Present

### Academic Senate

Holly Bailey-Hoffman	X
Lourdes Brent	X
Angela Echeverri	X
Jeff Hernandez*	X
Robert L. Stewart Jr.	X
Dan Wanner	X

### L.A. Faculty Guild

Joseph Guerrieri	X
Sandra Lee	X
John McDowell	X
Rodger Mc Ginness	X
Olga Shewfelt	X
Joanne Waddell	

### Unions/Association

Arif Ahmed	
Kathleen Becket; SEIU Local 99	
Velma Butler/Shirley Chen	
Iris Ingram; Class Mgmt. Rep	X
Paulina Palomino; Local 911 Teamster	X
Vacant-Build & Cost Trade	

### College Presidents

Sheri Berger**	X
Erika A. Endrijonas* (Mike Lee)	X
Larry Frank	X
Mary Gallagher	X
Otto W. Lee	X
James M. Limbaugh	X
Marvin Martinez	X
Denise Noldon** (Dan Hall)	X
Monte Perez	X
Sheri Berger**	X

### Student Trustee Rep

James Ingram

\* DBC CO-chairs

\*\* Interim

### Also Present

#### Resource Persons

Chancellor Rodriguez  
Kathleen F. Burke  
Ryan Cornner  
Jeanette Gordon  
Deborah La Teer  
Robert Miller  
Maury Pearl  
Albert Román

#### Guests

John al-Amin  
Alan Khuu  
Robert Medina  
Bob Suppelsa

1. **Call to Order** by Kathleen F. Burke for Erika Endrijonas at 1:40pm.
2. **Approval of Agenda** – Approved with no changes.
3. **Approval of Minutes for May 16, 2018** – Approved with no changes.
4. **Chancellor’s Remarks/Updates**
  - Assembly Bill 2575 – (Santiago) Cal Grant eligibility extension from 4 years to 6 years did not make it out of the suspense file.
  - Assembly Bill 288 – A technical amendment to Dual Enrollment to allow instruction in public Charter and Private Schools, the Charter piece approved, Private schools did not pass.
  - Assembly Bill 3101 (Carrillo) – CCC Apply simplification is sailing thru, with a Fall 2019 implementation date.
  - Wilk Bill – apportionment for tutoring this bill is moving forward.
  - New Board Member Mr. David Vela taking seat #3 term begins July 11, 2018 replacing former Board Member Sydney K. Kamlager, President.
5. **New Funding Model (Gordon/Miller)**
  - LACCD is in a better shape with the new budget formula than the old model, which would have reduced revenue by \$30 million.
  - Budget Formula shifts over three years are as follows:

2018-2019	70% FTES - 20% Supplemental - 10% Success (Completion)
2019-2020	65% FTES - 20% Supplemental - 15% Success (Completion)
2020-2021	60% FTES - 20% Supplemental - 20% Success (Completion)
  - Stability is now 3 years tied to 2016-17 FTES level
  - COLA apply to each of the three years
  - Inclusion of LA Promise Grant with no age limits
  - A handout was distributed that chronicles the development of the 2018-19 budget and the impact to LACCD.
6. **ECDBC Reports and Recommendation**
  - There was no ECDBC meeting.
7. **Enrollment Updates (Corner)**
  - The report distributed for Summer 2018 indicates we are performing strong.
  - The Fall 2018 report was distributed but enrollment started one month earlier last year than this year so it is difficult to compare.
8. **FON Update and Discussion (Roman)**
  - A handout was distributed that shows the Probationary Faculty Hiring Notices by college with a goal of 51 with 53 Notice of Intents (NOI) received.
  - The District is on schedule to meet its FON obligation.
9. **Adopt 2018-19 DBC/ECDBC Meeting Dates**
  - DBC approved the 2018-2019 DBC/ECDBC meetings dates with one change; removing the meeting scheduled for December 26, 2018.

## **10. 2017-18 Year End Balances Projections by Locations (Gordon)**

- The 3<sup>rd</sup> Quarter ending balance report was distributed with Harbor, Mission and Southwest projecting year end deficits.

## **11. DBC Recommendations to the Chancellor**

No Items at this time.

## **12. Items to Be Addressed by ECDBC**

- ECDBC will report back to DBC on colleges who reduced their deficits and how they did it.
- Review of the allocation formula based on the New Funding Formula.
- Review of college deficits and repayment schedules.

## **13. Other Business**

**No other business**

The meeting was adjourned at 2:40pm.

*Future DBC Meetings: Jul. 18, Aug. 15, Sept. 19, Oct. 17, Nov. 21, Jan.30, Feb.13, Mar. 13, Apr, 10, May 8, Jun. 12*

*Future ECDBC Meetings: July 17, Jul. 31, Aug. 28, Sep. 25, Oct.30, Nov. 27, Jan. 8, Jan. 29, Feb. 26, Mar. 26, Apr. 23, May 21, Jun 25*

## La Teer, Deborah A.

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**From:** Chief Business Officers <CBO-ALL@LISTSERV.CCCCO.EDU> on behalf of Osmena, Christian <cosmena@CCCCO.EDU>  
**Sent:** Tuesday, July 10, 2018 9:31 PM  
**To:** CBO-ALL@LISTSERV.CCCCO.EDU  
**Subject:** Follow-Up on Student Centered Funding Formula Implementation  
**Attachments:** 2018-07-08 - 2018-19 Funding Pursuant to ECS 84750.4(h).xlsx

Colleagues,

I wanted to provide you with an update on the status of implementation of the Student Centered Funding Formula. Many of you have reached out to the Chancellor's Office for details on implementation—and new simulations—and I appreciate how patient you have been with me these past few weeks.

Our office is working to make sure that we can be transparent about implementation of the new statutes, including by providing clear definitions of the factors that are being included in the new formula and mechanisms for you to access the data needed to estimate apportionments. We want to make sure those products are consistent with the new simulations, and that work has taken longer than I initially communicated to some of you. We recognize your urgency, and we are working to get simulations out to you all as soon as possible. Also, as we notified the CBOs, our office will be hosting budget workshops on Monday, August 13, and Wednesday, August 15, and we will be prepared to discuss the simulations at those sessions.

As you plan your budgets for the coming year, I wanted to share the calculation our office is preparing to use to meet the requirement in the statute that each district receive, in 2018-19, no less than its 2017-18 general purpose apportionment funding, with the cost-of-living adjustment of 2.71 percent applied. (The statute also includes related provisions for 2020-21 and 2021-22.) Please let me know if you have any questions.

Again, thanks for your patience, and please reach out if you need anything.

Best,

Christian

Christian Osmeña  
Vice Chancellor for College Finance and Facilities Planning  
California Community Colleges Chancellor's Office  
(916) 324-9508  
[cosmena@cccco.edu](mailto:cosmena@cccco.edu)

**2018-19 General Purpose Apportionment Funding Pursuant to Education Code Section 84750.4(h)**

<b>District</b>	<b>2017-18 Funding</b>	<b>2018-19 COLA</b>	<b>Funding per ECS 84750.4(h)</b>
Allan Hancock	58,422,746	1,583,256	60,006,002
Antelope	62,367,608	1,690,162	64,057,770
Barstow	18,681,308	506,263	19,187,571
Butte	58,735,298	1,591,727	60,327,025
Cabrillo	61,090,221	1,655,545	62,745,766
Cerritos	93,430,768	2,531,974	95,962,742
Chabot-Las Positas	100,198,196	2,715,371	102,913,567
Chaffey	93,669,057	2,538,431	96,207,488
Citrus	68,322,333	1,851,535	70,173,868
Coast	184,921,662	5,011,377	189,933,039
Compton	36,654,929	993,349	37,648,278
Contra Costa	166,644,124	4,516,056	171,160,180
Copper Mountain	12,756,730	345,707	13,102,437
Desert	56,577,786	1,533,258	58,111,044
El Camino	114,094,718	3,091,967	117,186,685
Feather River	13,510,466	366,134	13,876,600
Foothill	147,912,346	4,008,425	151,920,771
Gavilan	32,272,076	874,573	33,146,649
Glendale	88,218,925	2,390,733	90,609,658
Grossmont	109,387,586	2,964,404	112,351,990
Hartnell	43,136,331	1,168,995	44,305,326
Imperial	41,847,655	1,134,071	42,981,726
Kern	132,997,544	3,604,233	136,601,777
Lake Tahoe	14,405,966	390,402	14,796,368
Lassen	13,424,860	363,814	13,788,674
Long Beach	119,117,970	3,228,097	122,346,067
<b>Los Angeles</b>	<b>605,836,735</b>	<b>16,418,176</b>	<b>622,254,911</b>
Los Rios	303,957,520	8,237,249	312,194,769
Marin	25,606,748	693,943	26,300,691
Mendocino	22,433,982	607,961	23,041,943
Merced	56,495,951	1,531,040	58,026,991
MiraCosta	63,539,551	1,721,922	65,261,473
Monterey	38,879,570	1,053,636	39,933,206
Mt. San Antonio	175,668,539	4,760,617	180,429,156
Mt. San Jacinto	71,516,854	1,938,107	73,454,961
Napa	31,620,031	856,903	32,476,934
North Orange	202,054,625	5,475,680	207,530,305
Ohlone	48,764,077	1,321,506	50,085,583
Palo Verde	16,245,202	440,245	16,685,447
Palomar	108,868,450	2,950,335	111,818,785
Pasadena	134,488,560	3,644,640	138,133,200
Peralta	112,373,122	3,045,312	115,418,434
Rancho Santiago	163,785,707	4,438,593	168,224,300

Redwoods	26,897,389	728,919	27,626,308
Rio Hondo	69,108,317	1,872,835	70,981,152
Riverside	169,103,497	4,582,705	173,686,202
San Bernardino	88,844,996	2,407,699	91,252,695
San Diego	248,796,246	6,742,378	255,538,624
San Francisco	124,210,823	3,366,113	127,576,936
San Joaquin Delta	81,767,558	2,215,901	83,983,459
San Jose	70,522,096	1,911,149	72,433,245
San Luis Obispo	48,839,558	1,323,552	50,163,110
San Mateo	98,288,807	2,663,627	100,952,434
Santa Barbara	72,927,788	1,976,343	74,904,131
Santa Clarita	94,273,725	2,554,818	96,828,543
Santa Monica	129,917,544	3,520,765	133,438,309
Sequoias	60,963,604	1,652,114	62,615,718
Shasta Tehama	41,788,858	1,132,478	42,921,336
Sierra	84,798,894	2,298,050	87,096,944
Siskiyou	18,150,795	491,887	18,642,682
Solano	47,992,202	1,300,589	49,292,791
Sonoma	107,033,278	2,900,602	109,933,880
South Orange County	152,672,204	4,137,417	156,809,621
Southwestern	92,612,045	2,509,786	95,121,831
State Center	173,579,982	4,704,018	178,284,000
Ventura	150,836,007	4,087,656	154,923,663
Victor Valley	54,687,971	1,482,044	56,170,015
West Hills	37,158,011	1,006,982	38,164,993
West Kern	24,517,201	664,416	25,181,617
West Valley	73,597,478	1,994,492	75,591,970
Yosemite	95,564,829	2,589,807	98,154,636
Yuba	49,665,907	1,345,946	51,011,853

**Notes:**

"2017-18 Funding" represents general purpose apportionment funding reported in 2017-18 Second Principal Apportionment, Total Computational Revenue.

"2018-19 COLA" represents cost-of-living adjustment of 2.71 percent in 2018-19.

# Student Focused Funding Formula

DBC – July 2018



# New Model – Simple in Theory

Category	2018-2019	2019-2020	2020-2021
FTES	70%	65%	60%
Supplemental	20%	20%	20%
Success	10%	15%	20%

## DSP Alignment:

**Goal 5 Objective 5:** We will improve the resource allocation processes to be integrated with District Strategic Plan.

# Basic Allocation

Funding Formula Component	~Funding	Alignment
>20,000	\$4.9 Million	<p>Goal 5 Objective 6: We will effectively plan and use resources to build and maintain District and College facilities and infrastructure in support of the academic and student support programs.</p> <p>Goal 2 Objective 5: We will provide facilities and technologies to effectively serve and connect with the modern student and enhance regular and effective communication.</p>
10,001-19,999	\$4.3 Million	
<10,000	\$3.6 Million	

All numbers are estimates - Not to be used for budget planning

# Base Allocation

Funding Formula Component	Funding	Alignment
Credit	\$3,727	<p>Goal 1 Objective 4: We will improve outreach strategies for new and returning students through effective marketing and branding that increases the recognition of LACCD colleges and programs as premier in the community.</p> <p>Objective 2: We will fully implement the LA College Promise and will seek to expand the promise to additional school districts and municipalities in the service area.</p>
Adult Education (CDCP)	\$5,320	<p>Goal 1 Objective 3: We, in partnership with Los Angeles Regional Adult Education Consortium, will increase educational opportunities to nontraditional students through the expansion of noncredit adult education courses focused on skills improvement and vocational training.</p>
Noncredit	\$3,323	
Concurrent/Dual Enrollment	\$5,320	<p>Goal 1 Objective 1: We will expand educational opportunities to local high school students by increasing the number of courses offered through dual enrollment.</p>

All numbers are estimates - Not to be used for budget planning

# Supplemental Allocation

Funding Formula Component	Funding	Alignment
<b>AB 540</b>	\$919	Goal 3 Objective 6: We will increase equity in the attainment of student milestones.
<b>Pell Recipient</b>	\$919	Goal 2 Objective 6: We will increase access to higher education by assisting students in gaining access to financial aid.
<b>California Promise Grant</b>	\$919	

All numbers are estimates - Not to be used for budget planning

# Success Allocation

Category	Points	Rate	Alignment
AA/AS	3 points	\$440	Goal 3 Objective 2: We will increase completion of degrees and certificates.
ADT	4 points	\$440	
Certificate over 18 units	2 points	\$440	
Transfer English and Math	2 points	\$440	Goal 3 Objective 5: We will increase the percentage of students completing transfer-level English and mathematics among those who begin at courses below transfer-level
Transfer	1.5 points	\$440	Goal 3 Objective 3: We will increase the number of students transferring to four-year institutions.
9 units CTE	1 point	\$440	Goal 2 Objective 3: We will increase full-time enrollment for students through the development of flexible programs focused on working students and students with barriers to attending traditionally scheduled programs.
Living Wage	1 point	\$440	Goal 3 Objective 4: We will increase career and job placement rates in the field of study by enhancing business and industry partnerships, internships, and employment opportunities.

All numbers are estimates - Not to be used for budget planning

# Equity Allocation

Category	Points BOG/Pell	Rate	Alignment
AA/AS	3/4.5	\$111	Goal 3 Objective 6: We will increase equity in the attainment of student milestones.
ADT	4/6	\$111	
Certificate over 18 units	2/3	\$111	
Transfer English and Math	2/3	\$111	
Transfer	1.5/2.25	\$111	
9 units CTE	1/1.5	\$111	
Living Wage	1/1.5	\$111	

All numbers are estimates - Not to be used for budget planning

# Where are we now?

- The District has run internal estimates with a conservative approach
- State scenarios on Total Computational Revenue (TCR) + COLA were released last week
- State Scenarios on the Student Focused Funding Formula were released last night
- The following information represents the most up to date information on the formula

# A Common Understanding

- The formula scenarios are estimates
  - They do not account for actuals in any of the categories (Base, Supplemental or Success)
  - Numbers, calculations and associated funding will be adjusted throughout the year
- The safe number for budgeting purposes is the TCR+COLA number
  - Similar to growth, unknown success factors should not be budgeted
- The numbers should be used to determine areas in which student support and success can be improved and to implement change to positively effect students and the budget



# District Summary

	2018-2019 Estimate	State Scenario Released
Basic/BASE	\$447,025,386	\$442,368,225
Supplemental	\$138,141,691	\$145,413,370
Success	\$58,612,690	\$65,116,809
Total	\$643,779,766	\$652,898,404

# Difference in models: Base

Category	Difference	Cause
Basic Allocation	State \$1.6 million higher	Applied a 2.9% increase to base, applied to
FTES average	State \$6.3 million lower	State is using 2016-2017, 2017-2018 P2 and <u>2018-2019 Projected</u> for an average.  ~1700 FTES difference

# Possible impact

- Adjustments from P2 based on actual 320 report
- Changes in the actual FTES and proportion on FTES in the fully funded categories
  - Adult Ed
  - Concurrent

# Difference in models: Supplemental

District	Pell	AB 540	Promise Grant Students	District
State Scenario	48,432	7,917	101,881	State Scenario
Internal Estimated Projections	46,010	7,520	96,787	Internal Estimated Projections
Difference	-5%	-5%	-5%	Difference

# Difference in models: Supplemental

- Estimate 5% decline based on enrollment declines
  - Could be better or worse in each category
  - Fall saw a steep decline in AB 540, which improved in spring
  - Data is based on annual counts which are not complete for actuals yet
- -\$7.2 million shift using conservative projections
  - 7,913 Supplemental points at \$919 funding rate

# Difference in models: Success

Category	Impact	Cause
Cert	\$365,000	Internal data has been corrected for miscoded noncredit certificates
Transfers	\$2,622,180	State changed methodology to include all students with 12 units found at a university. Previous numbers were based on Fall transfers
Living Wage	-\$1,041,920	State changed methodology. Unclear what the change was.
Equity Measures	\$4,558,659	Changed methodology to include “ever Pell/BOG”

# Presumed Impact

Student Success Funding Formula*	\$643,779,766
TCR + COLA	\$622,178,326
Original Formula (FTES based)	\$576,495,118

\* Based on internal conservative estimates

# Overview

- TCR+COLA allows all colleges a minimum of 2.71% additional revenue over previous year
- Model allows for consistent increases despite enrollment declines
- Three-year average balances enrollment declines short-term
  - Growth needed as 2016-2017 comes off the books next year
- Incentives for
  - Adult ed
  - Concurrent enrollment
  - Financial aid
  - Success efforts



# Next steps

- All figures are tentative
  - Thursday – review modeling with District Research Committee
  - Seek validation
- Receive guidance on internal allocation model from ECDBC/DBC
- Adapt new state model to college-level
  - Some numbers are not available at the college-level
- Develop improvement plans for success indicators