

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, June 11, 2014
12:00 p.m. – 2:00 p.m.

Committee: Scott J. Svonkin, Chair; Ernest H. Moreno, Vice Chair; and Mike Eng, Member

Trustee Svonkin called the meeting to order at 2:12 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Budget Update

- Notice of 2014-15 Tentative Budget/State Budget Update

A document entitled “2014-2015 Notice of Tentative Budget” was distributed.

Ms. Jeanette Gordon, Chief Financial Officer/Treasurer, discussed the document with respect to the Governor’s May Revise proposal and its impact on the LACCD budget for 2014-15 and the full-time equivalent students (FTES) planning for Fiscal Years 2013-14 and 2014-15.

- College Financial Status Update (College Deficit Reports)

A document entitled “District Projection of Budget and Expenditures as of March 31, 2014” was distributed.

Trustee Svonkin requested that the colleges’ with deficits share their financial challenges and report on their plan on how to address their college deficits. He deferred to Ms. Alma Johnson-Hawkins, Interim President, Los Angeles Valley College (LAVC), to continue her presentation on addressing the LAVC deficit.

LAVC

Ms. Johnson-Hawkins discussed the ongoing efforts and challenges towards reducing LAVC deficit.

A question and answer session was conducted regarding the various efforts in addressing the LAVC deficit.

Trustee Svonkin indicated that he would be working with Chancellor Francisco C. Rodriguez and Ms. Gordon on a plan to support added security on all nine colleges when necessary for commencement

exercises or special events so that the colleges don't have to pick between the safety of their colleges and balancing their budgets.

LAHC

Mr. Farley Herzek, Interim President, Los Angeles Harbor College (LAHC), distributed and gave an overview of a document entitled "LAHC Budget & Finance Committee Meeting, 3rd Quarter Update/Budget Deficit Measures" with respect to the LAHC 2013-2014 Fiscal Year (FY) Budget, issues impacting FY 2013-2014 Budget, deficit reduction progress (5/1/2014), projected 2014-2015 problem, 2014-2015 deficit reduction measures, and Districtwide concerns.

A question and answer session was conducted regarding the various efforts and issues in attempting to address the LAHC deficit.

LACC

Ms. Renee D. Martinez, President, Los Angeles City College, discussed the ongoing efforts and challenges towards reducing LACC deficit. President Martinez projected that next year LACC will have a balanced budget.

Disposition: • **None.**

- Analysis of Unrestricted General Fund Balances 2008-09/2013-14

Trustee Svonkin requested that this item be discussed at the next Committee meeting.

Disposition: • ***Trustee Svonkin requested that this item be moved to the next Committee meeting agenda.***

- Funding – Preparation for Fiscal Year 2016 Accreditation Visits (BF5)

A document entitled "Com. No. BF5 2013-2014 Budget Adjustments" was distributed.

Chancellor Rodriguez discussed that in preparation for the Fiscal Year 2016 Accreditation visit, \$1 million from the contingency reserve will be distributed evenly to all nine colleges and the Educational Services Center so that they have sufficient resources to prepare for the Accreditation process occurring in Fiscal Year 2016.

Motion by Trustee Eng, seconded by Trustee Moreno, to approve the \$1 million from the Contingency Reserve to account 50000 for Districtwide Accreditation activities occurring in Fiscal Year 2016.

Without objection, so ordered.

APPROVED: 3 Ayes

Disposition: • **None.**

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
MINUTES – BUDGET & FINANCE COMMITTEE
Los Angeles Southwest College
School of Career and Technical Education Building, Room 131
1600 W. Imperial Highway
Los Angeles, CA 90047
Wednesday, February 11, 2015
12:45 p.m. – 1:45 p.m.**

Committee: Ernest H. Moreno, Chair; Mike Eng, Vice Chair; Steve Veres, Member
Trustee Moreno called the meeting to order at 12:46 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Enrollment Update

A document entitled "Special Report, Budget & Finance Committee, February 14, 2015" was distributed.

Trustee Moreno was pleased to report that enrollment was close to 100 percent. He expressed his concern that the section count increased with a small decline in enrollment. He recommended that this condition be track with respect to the efficiency index.

Executive Committee of the District Budget Committee/Chancellor Recommendations

• Los Angeles Valley College Financial Stability Plan

A memorandum addressed to "Dr. Erika A. Endrijonas, President, Los Angeles Valley College" was distributed.

Ms. Jeanette Gordon, Chief Financial Officer/Treasurer, indicated that Dr. Endrijonas and Mr. Mike C. Lee, Vice President of Administrative Services, were present to discuss the Los Angeles Valley College report that was prepared in response to the recommendations made by the Executive Committee of the District Budget Committee (ECDBC).

Dr. Endrijonas discussed the document with respect to the following three subsidies that the ECDBC had agreed to grant Los Angeles Valley College (LAVC):

1. Debt Repayment Waiver for 2014-15 based on the fact the college has a new president - \$558,037
2. Recommend fully fund 2% overcap at \$4,000 per FTES – Additional \$429,056 for 256 FTES
3. Subsidy for 11 new faculty hires to meet the Faculty Obligation Number (FON) requirements for Fall 2015 - \$825,000 over three-year period

With respect to Table 1. Cuts and Savings Actions, Trustee Moreno expressed his concern that the reductions are temporary cuts. He indicated that the cuts do not address the structural issues.

A question and answer session was conducted with respect to the various components regarding the ECDBC recommendations and the LAVC responses in addressing various issues of concern made by the Committee.

With respect to the College Debt Repayment Policy, Trustee Veres expressed his concern that without the approval of the Committee to recommend ECDBC subsidies to LAVC, the Debt Repayment Policy would have been deployed. He requested that a caveat be included with the motion to approve the ECDBC recommendations.

Chancellor Francisco C. Rodriguez discussed that LAVC corrective measures as presented in their report will allow the college to be financially stable going forward. He indicated that if the outcome is not positive the College Debt Repayment Policy will be deployed. He stated that he supports the ECDBC recommendations.

Motion by Trustee Veres, seconded by Trustees Eng, to recommend to the full Board the approval of Los Angeles Valley College's three requests as follows with the caveat that the College Debt Repayment Policy will be in effect if the college does not demonstrate a long-term financial stability outcome.

1. Debt Repayment Waiver for 2014-15 based on the fact the college has a new president - \$558,037
2. Recommend fully fund 2% overcap at \$4,000 per FTES – Additional \$429,056 for 256 FTES
3. Subsidy for 11 new faculty hires to meet the Faculty Obligation Number (FON) obligation requirements for Fall 2015 - \$825,000 over three-year

*APPROVED: 2 Ayes (Eng, Veres)
1 No (Moreno)*

- Faculty Obligation Number (FON) Subsidy for Fall 2015

A memorandum entitled "DBC Recommendation to Chancellor—Subsidy for Faculty Hiring (FON) for FY 2015-16" was distributed.

Ms. Gordon discussed the document with respect to the District Budget Committee recommendation to subsidize the Faculty Obligation Number (FON) for Fiscal Year 2015-16 for all nine colleges.

Motion by Trustee Veres, seconded by Trustee Eng, to approve the DBC recommendation to subsidize FON for Fiscal Year 2015-16.

APPROVED: 3 Ayes

Future Costs Analysis

- CalSTRS/CalPERS Rate Increase

A document entitled "Future Cost Analysis—CalSTRS and CalPERS Rate Increases" was distributed.

Ms. Gordon discussed the document with respect to CalSTRS/CalPERS Assumptions and the impact on the Los Angeles Community College District (LACCD) concerning the rate increases and annual required contributions over the next seven years.



Board of Trustees

Los Angeles Community College District
770 Wilshire Blvd., Los Angeles, CA 90017 (213) 891-2000

AGENDA

ORDER OF BUSINESS - REGULAR MEETING

Wednesday, August 5, 2015

Public Session 3:30 p.m.

Closed Session

(Immediately Following Public Session)

Educational Services Center

Board Room – First Floor

770 Wilshire Blvd.

Los Angeles, CA 90017

- I. Roll Call (**3:30 p.m.**)
- II. Flag Salute
- III. Oath of Office
 - Gerson A. Liahut-Sanchez, Interim Student Trustee
- IV. Approval of Minutes
 - Regular Meeting and Closed Session: June 24, 2015
 - Special Meeting and Closed Session: June 29, 2015
 - Regular Meeting: July 8, 2015
- V. Reports from Representatives of Employee Organizations at the Resource Table
- VI. Announcements from the College Presidents
- VII. Public Agenda Requests
 - A. Oral Presentations
 - B. Proposed Actions
- VIII. Requests to Address the Board of Trustees – Multiple Agenda Matters
- IX. Reports and Recommendations from the Board
 - Reports of Standing and Special Committees
 - Proposed Actions
 - BT1. Appoint Gerson A. Liahut-Sanchez as Interim Student Trustee
 - BT2. Resolution – District Classified Employees Retirement
 - BT3. Elect/Select Board of Trustees Representatives
 - BT4. Board Travel Authorizations

- BT5. Resolution – Board Standing Committee for Environmental Stewardship
- BT6. Resolution – America’s College Promise Act: Tuition-Free Community College for Responsible Students
- BT7. Resolution – 50th Anniversary of Voting Rights Act and Immigration and Nationality Act

- X. Reports from the Chancellor and College Presidents
 - Report from the Chancellor regarding activities or pending issues in the District

XI. Consent Calendar

Matters Requiring a Majority Vote

- BF1. Ratify Budget Revisions and Appropriation Transfers
- BSD1. Ratify Business Services Actions
- BSD2. Approve Business Services Actions
- BSD3. Authorize Lease of District Facilities
- FPD1. Approve Facilities Planning and Development Report
- FPD2. Authorize Master Procurement Agreements
- HRD1A. Personnel Services Routine Actions
- HRD1B. Personnel Services Routine Actions
- HRD2. Authorize Stipend Increase for Unclassified Walk-On Assistant Coaches
- ISD1. Approve New Educational Courses and Programs
- ISD2. Approve New Community Services Offerings
- ISD3. Amend Board Rule Chapter VI Article VII – Academic Standards
- PC1. Personnel Commission Actions
 - Correspondence

XII. Recommendations from the Chancellor

Matters Requiring a Super Majority Vote

- BF2. Authorize Use of \$3,291,010 from Contingency Reserve to Restore Debt Repayment for Los Angeles Harbor College and Fund Additional Over-Cap Growth for the Colleges
- FPD3. Adopt Resolution: (1) Approving a First Amendment to Development Agreement and Ground Lease for the Development of Permanent Facilities for the Harbor Teacher Preparation Academy at Los Angeles Harbor College; and (2) Determining the Foregoing Action is Exempt from Further Analysis Under the California Environmental Quality Act

XIII. Notice Reports and Informatives

- CH/A. [Notice] Amend Board Rule Chapter II Article IV – 2408 Order of Business



Board of Trustees

Los Angeles Community College District

ACTION

Com. No. BF2

Division: BUSINESS AND FINANCE

Date: August 5, 2015

Subject: AUTHORIZE USE OF \$3,291,010 FROM CONTINGENCY RESERVE TO RESTORE DEBT REPAYMENT FOR LOS ANGELES HARBOR COLLEGE AND FUND ADDITIONAL OVER-CAP GROWTH FOR THE COLLEGES

In the General Fund, authorize the distribution of \$3,291,010 to the colleges from the Contingency Reserve account as recommended by the Chancellor for the following:(eBTA's: D-0900, D-0906):

A. Los Angeles Harbor College - \$923,010 for restoration of the 2014-15 College Debt Repayment paid by the college.

B. \$2,368,000 additional over-cap funding for the following Colleges at \$4,000 per FTES:

East Los Angeles College	165 FTES	\$ 660,000
Los Angeles Harbor College	15 FTES	\$ 60,000
Los Angeles Mission College	100 FTES	\$ 400,000
Pierce College	150 FTES	\$ 600,000
Los Angeles Trade-Technical College	125 FTES	\$ 500,000
West Los Angeles College	37 FTES	\$ 148,000

Background: On May 5, 2015, Los Angeles Harbor College requested deferment of the \$923,010 debt repayment in FY 2014-15 to assist the college in its efforts to maintain the college's positive balance for FY 2014-15 and if the college ends the year with a positive balance, the college would apply 50% of that balance toward the debt repayment for this year. The Executive Committee of the District Budget Committee (ECDBC), on June 02, 2015, reviewed the college's request with President Dr. Otto Lee and his Senior Staff. He testified that the college has put stringent budgetary controls in place and has adjusted its enrollment to achieve its target of 4.75%. The ECDBC supported Los Angeles Harbor College's request and recommended to the Chancellor to grant the request contingent upon the college's submission of a self-evaluation as required in the District Financial Accountability Measures. The Chancellor approved Dr. Lee's request for deferral of the \$923,010 on June 29, 2015.

Recommended by:

Adriana D. Barrera
Adriana D. Barrera, Deputy Chancellor

Approved by:

Francisco C. Rodriguez
Francisco C. Rodriguez, Chancellor

Chancellor and
Secretary of the Board of Trustees

By: _____

Date: _____

Eng _____	Moreno _____
Fong _____	Pearlman _____
Hoffman _____	Svonkin _____
Kamlager _____	Liahut-Sanchez _____

Student Trustee Advisory Vote

Board of Trustees

Los Angeles Community College District

Com. No. BF2	Division: BUSINESS AND FINANCE	Date: August 5, 2015
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As to the funding for the Colleges for additional growth over-cap funding at \$4,000 per FTES, the Chancellor, on July 23, 2015, recommended this funding for the above six colleges who have agreed to shift their available Summer I 2015 credit FTES so the District's reported annual FTES to at least meet or above the 104,284 FTES funded by the State in the Second Principal Apportionment on June 24, 2015. As a result, the District has reported its annual 2014-15 FTES of 104,995 FTES on July 22, 2015 to the State Chancellor's Office.

FISCAL IMPLICATIONS: This action reduces the Contingency Reserve by \$3,291,010, leaving a balance in the Contingency Reserve of \$12,957,890 or 2.38%.

REQUIRES FIVE (5) AFFIRMATIVE VOTES

**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, September 16, 2015
3:00 p.m. – 4:45 p.m.**

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

Trustee Kamlager called the meeting to order at 3:07 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Internal Audit Annual Planning Fiscal Year 2015-16

A document entitled "Internal Audit Department (IAD) Audit Schedule, Fiscal Year 2015-16" was distributed.

Mr. Arnold Blanshard, Director, Internal Audit Department, gave an overview of the First Quarter and Second Quarter audit schedule for Fiscal Year 2015-16.

Enrollment Planning and Target Update

A document entitled "Enrollment Update, Budget and Finance Committee, September 16, 2015" was distributed.

Ms. Jeanette L. Gordon, Chief Financial Officer, gave an overview of the Fiscal Year (FY) 2014-15 full-time equivalent students (FTES) report and the FY 2015-16 Annual FTES Report [July 22, 2015].

Trustee Kamlager noted that the Committee is interested in learning how the colleges will maintain a manageable, reasonable, and sustainable budget while adapting to the FTES growth targets for 2015-16 and how to retain students.

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

Trustee Moreno requested that a ten-year period comparison report on the average enrollment by sections and all the relevant data be prepared in order to illustrate how the Los Angeles Community College District (LACCD) performed at its highest FTES.

Final Budget Update

- Review of \$57.6 Million State Mandate Reimbursement Funds

A document entitled "2015/16 LACCD Budget Development, Chancellor's Recommendations, Uses of \$57.67 million State Mandate Reimbursement Fund" was distributed.

Ms. Gordon discussed the document with respect to the following LACCD Strategic Goals: Goal 1: Access and Preparation for Success (~~\$26.45~~ \$25.85 M), Goal 2: Teaching and Learning for Success (~~\$5.5~~ \$6.10 M), Goal 3: Organizational Effectiveness (\$24.615 M), and Goal 4: Resources and Collaboration (\$1.104 M).

A question and answer session was conducted regarding various issues of concern with respect to the allocation of the 2015/16 \$57.6 Million State Mandate Reimbursement funds.

Ms. Gordon indicated that quarterly reports would be provided regarding Goal 3: \$18.5 million – *Free up funds from assessments to colleges and redirect the funds for Goal 1 and Goal 2* expenditures.

Trustee Moreno expressed his concern regarding the Chancellor's recommendations for the \$57.67 million State Mandate Reimbursement fund. He recommended that some of the funds be utilized for pending liability increases for retirement and benefits and that the remainder of the balance be set aside for future needs.

Trustee Eng expressed his concern that there is no District goal/strategy to increase the low transfer rate and requested that the background information that was produced from the District Budget Committee (DBC) explaining the recommendations for the allocation of funds be provided to the Committee.

Trustee Kamlager discussed various issues of concern and entertained a motion to approve some of the line items listed in the LACCD strategic plan goals in response to the Committee's concerns. She requested a detailed report on the colleges' campus safety/security expenditures and a detailed report on the ongoing expenditures for Goal 3: \$18.5 million – *Free up funds from assessments to colleges and redirect the funds for Goal 1 and Goal 2*.

Motion by Trustee Moreno, seconded by Trustee Eng, to not approve the LACCD strategic plan goals as presented for the uses of the \$57.6 Million State Mandate Reimbursement Funds and to defer until next meeting after further discussion on the requested itemized list with details on how the funds will be utilized. He inquired as to how the Committee will be ensured of the colleges' adherence to the plan of expenditures.

APPROVED: 2 Ayes (Moreno, Eng)
1 No (Kamlager)

- Develop/Propose Plan for STRS/PERS Increases

A document entitled "California Community Colleges, Chancellor's Office, Accounting Advisory: CCFS-311 Pension Costs" was distributed.

No discussion was held.

- Expiration of Proposition 30 (EPA) Tax (discussion)

A document entitled "Proposition 30 – Educational Protection Account Fund" was distributed.

No discussion was held.

Los Angeles Harbor College Request to Restore Debt Repayment (BF1)

A document entitled "BF1. Authorize Use of \$923,010 from Ending Balance to Restore Deferral of Debt Repayment for Los Angeles Harbor College" was distributed.

Dr. Otto W. K. Lee, President, Los Angeles Harbor College (LAHC) gave a PowerPoint presentation and discussed the document with respect to various components regarding the LAHC request for deferral of debt repayment.

A question and answer session was conducted with respect to various components regarding the College Debt Repayment Policy based on the LAHC request for deferral of debt repayment.

The Committee requested various District policies and information with respect to the LAHC request for deferral of debt repayment regarding forgiveness, accountability, deferrals, and which colleges have requested and been granted deferral repayments.

Trustee Kamlager requested that the information be provided well in advance of the next Committee meeting and that this item be brought back to the Committee for further discussion.

FUTURE DISUSSION/AGENDA ITEMS

Trustee Kamlager requested that the following topics be considered at a future Committee meeting:

1. State Rehabilitation Programs Funding
2. Student Diversity Population regarding retention and completion

FUTURE BUDGET & FINANCE COMMITTEE MEETING DATES

- October 21, 2015

NEW BUSINESS

None.

SUMMARY – NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 5:15 p.m.