

**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 17, 2014
2:00 p.m. – 3:15 p.m.**

Committee: Ernest H. Moreno, Chair; Mike Eng, Vice Chair. Absent: Steve Veres, Member (arrived at 2:09 p.m.)

Trustee Moreno called the meeting to order at 2:05 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Enrollment Update

A document entitled "Executive Summary, Fall 2014 Enrollment Status as of Day 7" was distributed.

Trustee Moreno discussed that enrollment planning is critical for the success of student learning. He indicated that the enrollment data will be reviewed at each Committee meeting in order to track the progress being made.

(Trustee Veres arrived at 2:09 p.m.)

Mr. Vinh Nguyen, Director, Budget and Management Analysis, discussed the document with respect to the Fall 2014: Credit Enrollment Comparison Day 7, Monday September 8, 2014.

Trustee Moreno expressed his concern that the report is a week old and indicated that he had the opportunity to view the most recent section numbers for East Los Angeles College that demonstrated three percent difference from the Day 7 report. He requested that staff now provide the current report to the Committee.

Mr. Maury Pearl, Associate Vice Chancellor, Educational Services and Institutional Effectiveness Division, indicated that he would obtain the most current report today and present it to the Committee.

Mr. Nguyen continued to discuss the document with respect to Summer 2013 versus Summer 2014 FTES Comparisons, FTES History, and Potential 2014-2015 Scenarios.

Mr. Pearl provided the current Fall 2014: Credit Enrollment Comparison Day 14, Monday September 15, 2014 to the Committee.

A question and answer session was conducted regarding enrollment trends, enrollment planning, and issues of concern with respect to the colleges' projected growth rates.

Trustee Moreno expressed his concern that the data for Fall 2013 demonstrates that student headcount was 100%, although the enrollment was 98%, which concludes that the same number of students were enrolled but took fewer units. He recommended that the colleges take into consideration this issue when planning the schedule for the spring semester.

Chancellor Recommendation/Funding Over Cap

A memorandum entitled "Response to DBC Recommendation" was distributed.

Mr. Nguyen discussed the document with respect to Chancellor Francisco C. Rodriguez's response to the District Budget Committee (DBC) Recommendation concerning the 2014-15 Enrollment Growth Target. He indicated the action item will be presented to the full Board to authorize funding from the Contingency Reserve account at the October 8, 2014 Board meeting.

Discussions were held regarding DBC recommendation to augment Los Angeles Southwest College budget up to eight percent growth.

A question and answer session was conducted regarding Fiscal Year 2014-2015 planning considerations.

Motion by Trustee Veres, seconded by Trustee Eng, to recommend to the full Board the approval of the Chancellor's recommendation approved by the DBC with some modifications as follows:

1. Establish the District's growth goal to 4.75%, as recommended by the DBC, and fund 2% over-cap enrollment growth at \$2,324 per FTES; and
2. Concur to fund enrollment growth at Los Angeles Southwest College with the over-cap funding rate of \$2,324 per FTES.

APPROVED: 3 Ayes

Quarterly Internal Audit Report

Audit Schedule

A document entitled "Los Angeles Community College District, Internal Audit Department, Audit Schedule, Fiscal Year 2014-2015" was distributed.

Mr. Arnold Blanshard, Director, Internal Audit Department, discussed the audit schedule with respect to the distribution of budgeted hours per location.

Corrective Action Plan

- Foundation Audits

A document entitled "Internal Audit Department (IAD), Foundations, Update of Prior Audits Findings, Summary Report" was distributed.

Mr. Blanshard discussed the status and timeline of the Foundation audits.

A question and answer session was conducted regarding issues of concern with respect to the process to fully implement corrective action plans in response to the Foundation audit findings.

Trustee Eng requested that the ranking of the gravity of the highest to lowest Foundation audit findings be provided to the Committee.

Mr. Blanshard indicated that he would provide the report to the Committee.

Cash Control Audits

A document entitled "Internal Audit Department (IAD), Cash Control, Update of Prior Audits Findings, Summary Report" was distributed.

Mr. Blanshard discussed the document regarding the Cash Control summary report with respect to the common prior audit findings not fully implemented

A question and answer session was conducted regarding various components concerning the common prior audit findings not fully implemented with respect to the corrective action plans.

Chancellor Rodriguez indicated that this item will be brought back to the Committee when appropriate for an update on a plan to address the Cash Control audit findings.

Report on Cost Per FTES

A document entitled "College Financial Accountability Measures" was distributed.

Due to time constraints, Trustee Moreno stated that this item is postponed until the next Committee meeting.

New Business

A document entitled "2014-2015 Budget and Finance Committee Annual Goals" was distributed.

Trustee Moreno indicated that the Committee set the 2014-2015 Budget and Finance Committee Annual Goals and this item will be discussed at the next Committee meeting.

FUTURE DISCUSSION/AGENDA ITEMS

- Update on Cost Savings from Master Agreements (Chancellor's Directive #142)
- Retirement Incentives

FUTURE BUDGET & FINANCE COMMITTEE MEETING DATES

- October 8, 2014

NEW BUSINESS

None.

SUMMARY -- NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 3:17 p.m.