

**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 DISUSSSION/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.