

**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, February 22, 2017  
3:00 p.m. – 4:30 p.m.**

Committee: Mike Fong, Vice Chair; Andra Hoffman, Member; and Scott J. Svonkin, Board Alternate. Absent: Ernest H. Moreno, Chair.

Trustee Fong called the meeting to order at 3:10 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Enrollment Update

A document entitled "Enrollment Update, Budget & Finance Committee, Spring 2017: Credit Enrollment Comparison" was distributed.

Dr. Ryan M. Cornner, Vice Chancellor, Educational Programs and Institutional Effectiveness, indicated the colleges' enrollments have declined four percent from spring of 2015 to spring 2017. He noted that the colleges will have to shift summer enrollment to attempt to reach its enrollment base.

Trustee Svonkin inquired as to the colleges' plans to address the enrollment decline.

Dr. Cornner indicated when it became apparent that enrollment had declined—staff and the colleges' teams discussed different options to address this issue at their quarterly meetings. He continued to discuss various actions being implemented by the colleges in an attempt to increase enrollment.

**For the record:** Chancellor Francisco C. Rodriguez stated that the students' fear of being deported should be taken into consideration as one of the elements of the enrollment decrease. He noted that Free Application for Federal Student Aid (FAFSA) and the California Dream Act applications are down statewide. He stated that this topic will be discussed at the DACA/Student Rights Task Force meeting to be held on Friday, February 24, 2017.

Trustee Hoffman requested that a comparison report of other local community colleges enrollment/FTES (full-time equivalent students) data be provided to the Committee.

Dr. Cornner responded that the report is currently being researched and will be provided to the Committee at the next meeting.

Trustee Fong recommended that the LACCD Resolution Support of Undocumented students be translated from English to the various languages of the LACCD student populations.

A question and answer session was conducted with respect to the enrollment decline.

### Historical FTES Update

A document entitled "Los Angeles Community College District, Historical Total FTES" was distributed.

Dr. Cornner indicated that the Committee had requested that Historical FTES data be provided. He summarized the LACCD Historical FTES data that was developed from 1929 to 2016 with respect to historical trends, peak years, and workload reductions (unduplicated first census credit enrollment by college).

Trustee Svonkin recommended that this topic be presented at the next Committee meeting for Trustee Moreno since he was not present today.

### Second Quarter Financial Report

A document entitled "2016-17 Second Quarter Financial Status Report, Budget & Finance Committee, February 22, 2017" was distributed.

Ms. Jeanette L. Gordon, Chief Financial Officer/Treasurer, discussed the document with respect to the Projected Ending Balance, Projected Reserves, and 2016-2017 FTES.

A question and answer session was conducted regarding those colleges that are in debt as well as how to address this issue.

Trustee Svonkin inquired as to how much reserve East Los Angeles College (ELAC) and Los Angeles Pierce College (LAPC) have acquired.

Ms. Gordon responded that ELAC has \$25 million and LAPC has \$4 million.

Trustee Svonkin expressed his concern that Los Angeles City College (LACC), Los Angeles Harbor College (LAHC), Los Angeles Southwest College (LASC), and Los Angeles Valley College (LAVC) together owe a total of \$20 million under the debt repayment policy.

Trustee Svonkin recommended that this topic be addressed at a Committee meeting with respect to the \$20 million debt owed to the LACCD.

Ms. Gordon and Chancellor Rodriguez responded that the colleges are indeed following the debt repayment policy which is *"not to exceed three percent of the college's budget."*

Trustee Fong requested that a detailed report be provided to the Committee with the nine colleges' balances and the debt repayment schedule for those colleges that owe debt to the LACCD. He indicated that this topic will be brought back to the Committee for a thorough assessment.

#### Transfer of \$8.5 million of Prop 30 to STRS/PERS Reserve

A document entitled "Los Angeles Community College District, Projected Pension Cost Increase and Reserve Usage" was distributed.

Ms. Gordon indicated that when Proposition 30 reserve was no longer needed—it was decided to relocate the funds to the STRS/PERS reserve to offset the pension cost increases. She noted that this item is informational only.

#### Update on SIS/Cyber

Dr. Cornner stated that "Go-Live Two" was deployed successfully this past weekend. He indicated that Mr. Steven Kish, Project Monitor, Student Information System (SIS), will be present at the next Committee meeting to give an update and make recommendations for "Go-Live Three."

A question and answer session was conducted with respect to the presentation.

#### Internal Audit Quarterly Update

A document entitled Budget and Finance Committee, Internal Audit Department, 2016-17 Quarterly Report, February 22, 2017" was distributed.

Mr. Arnold Blanshard, Director, Internal Audit Department, explained various elements that caused the delay of submitting the Human Resources Audit report to the Board a year later. He continued to discuss the report with respect to major issues identified regarding 20 high level findings.

Trustee Fong inquired as to the sample size of the Human Resources audit?

Mr. Blanshard responded that he would provide the exact number to the Committee. He indicated that approximately 30 to 90 samples were taken.

Dr. Albert J. Roman, Vice Chancellor, Human Resources, indicated that since "Live Scan" was initiated a couple of years ago one of the benefits is that a notice is produced and received in the Human Resources Division alerting the division when an LACCD employee is arrested. All incidents are evaluated on a case by case bases to determine what action is appropriate.

A question and answer session was conducted with respect to the high level findings.

Trustee Svonkin stated that the high level audit findings are crucial in terms of serious criminal background checks for potential employees that are not fully vetted. He expressed his concern that the lack of documentation to validate fingerprinting could be a potential risk to our students and employees.

Dr. Roman indicated that 65% of the high level audit findings have been corrected.

Trustee Fong requested that this item be brought back to the Committee for further discussion.

#### FUTURE DISCUSSION/AGENDA ITEMS

None.

#### FUTURE BUDGET & FINANCE COMMITTEE MEETING DATES

- March 22, 2017

#### NEW BUSINESS

None.

#### SUMMARY – NEXT MEETING

None.

#### ADJOURNMENT

There being no objection, the meeting was adjourned at 4:32 p.m.