

**Los Angeles Community College District
Board Committee Minutes: Budget & Finance**

May 23, 2018

5:00 p.m. – 6:00 p.m.

Committee Members: Andra Hoffman, Chair
Ernest H. Moreno, Vice Chair,
Mike Fong, Board Alternate
Robert B. Miller, Staff Liaison
Jeanette L. Gordon, Staff Liaison
James M. Limbaugh, College President Liaison

May Revise/New Funding Model

A document entitled "2018-19 Budget Update, McCallum Group Inc." was distributed.

Mr. Patrick McCallum and Mr. Mark McDonald, Legislative Advocates, The McCallum Group, Inc., gave an update on the Funding Formula framework shift, Categorical Programs, and the Online College. He continued to discuss the funding formula regarding the "Major Differences with Administration" on the senate and assembly side, the College Promise Campaign, and the Implementation of AB 19.

A question and answer session was conducted regarding the funding formula with respect to various components of the hold harmless provisions, performance-based formulas, and reasons to support versus reasons to stay neutral at this time.

The Committee recommended that the Los Angeles Community College District (LACCD) monitor the funding formula until additional information is released.

Annual Financial Audit KPMG/Vasquez

Dr. Robert B. Miller, Vice Chancellor of Finance and Resource Development, distributed a document that was prepared by Ms. Jeanette Gordon, Chief Financial Officer (CFO) Treasurer. He discussed the document with respect to KPMG LLP performance annual audits for fiscal years 2017-2018 and 2018-2019 and explained the urgency to extend the KPMG contract.

Trustee Moreno expressed various issues of concern with respect to the performance audits being conducted with the same firm for numerous years and that because of familiarity the degree of objectivity might be comprised.

Dr. Miller indicated that by practice firms are maintained for up to twenty years, but every five years the principle lead in the audit is changed.

Trustee Moreno requested that the Committee's responsibilities be elevated to become the conduit so that the Board holds a more prominent role and has input on contracts being considered by the LACCD for approval like they would in the banking industry.

Dr. Miller noted the Committee's request.

Motion by Trustee Moreno, seconded by Trustee Fong, to approve KPMG LLP to perform annual audits on the District basic financial statement for fiscal years 2017-2018 and 2018-2019.

APPROVED: 3 Ayes

Third Quarter Financial Report/Year-end Balance Projection

A document entitled "2017-18 Third Quarter Financial Status Report" was distributed.

Ms. Deborah La Teer, Director, Budget Office, discussed the 2017-18 Third Quarter Financial Status Report with respect to the Projected Ending Balance and Projected Reserves.

A question and answer session was conducted regarding the presentation.

2018-2019 Tentative Budget

A document entitled "2018-2019 Proposed Tentative Budget, May 23, 2018" was distributed.

Ms. La Teer discussed the 2018-2019 Proposed Tentative Budget with respect to the Impact on the LACCD Based on the Governor's May Revise and the Budget Planning Assumptions.

A question and answer session was conducted regarding the presentation.

Motion by Trustee Moreno, seconded by Trustee Fong, to approve the 2018-2019 Tentative Budget.

APPROVED: 3 Ayes

Enrollment Update

Dr. Cornner gave a brief update on Summer 2018 Districtwide Credit Enrollment Comparison report Day -20.

A question and answer session was conducted regarding the presentation.

HR Assessment Update

Trustee Moreno gave an overview and update of the Human Resources Division assessment being conducted by Sibson Consulting. He indicated that there will be

scheduled site visits conducted at the Educational Services Center of the Human Resource Division staff.

SAP Access

A document entitled "LACCD Security Redesign Project (SecRP)" was distributed.

Mr. Andy Duran, Director, Manager, Information Technology, discussed that as a result of the Committee's concern regarding unauthorized staff's ability to gain access to personnel data that is not in the scope of work they are performing, a segregation of duty (SOD) review is being conducted in order to reduce or eliminate SOD conflicts in support of Audit Findings and the Committee's concerns. He continued to discuss the security redesign project and the timeline.

A question and answer session was conducted regarding the presentation.

FUTURE DISCUSSION/AGENDA ITEMS

None

FUTURE BUDGET & FINANCE COMMITTEE MEETING DATES

June 20, 2017

NEW BUSINESS

None

ADJOURNMENT

There being no objection, the meeting was adjourned at 7:45 p.m.