



# BUDGET Advisory Committee

## Minutes

January 23, 2019

Meeting

*Approved*

### ATTENDANCE (A = absent):

A	Chris Carter	X	Marlene Dunn	X	Cindy Baker
A	Sara Blasetti	X	Ryan Carroll	X	Sem Chao
X	Lee Douglas	A	Gene Durand	A	James Henchey
A	Mike Muñoz	A	Anthony Moguel, Jr.	A	Nash Neyra
A	Jorge Ochoa	X	Seth Ramchandran	A	Karen Roberts
A	Kathy Scott	X	Steve Skille	X	John Thompson
A	Susan Trask	A	Heather Van Volkinburg	A	Jeff Wood

**NOTE TAKER:** Erin Murphy

### 1. Welcome (Marlene)

Marlene welcomed everyone to the meeting and introductions were made.

### 2. Approval of Minutes (Marlene)

The minutes of the November 5, 2018, meeting were approved as presented.

### 3. State Budget Update (Marlene)

Marlene updated the Budget Advisory Committee on the state budget with the following highlights:

- Marlene reviewed the timeline of the state budget, which begins with the January Proposal from the Governor, followed by comments and suggestions for amendments. In April, data on COLA as well as property and person tax revenues will be available. In May, the Governor will release the May Revise that reflects such data and changes, followed by a formal budget bill and legislative meetings. A proposed bill before the end of June is considered by the state Assembly and Senate, and the final bill is subsequently presented to the Governor for signature. The Assembly and Senate must pass the bill by June 30, followed by trailer bills and appropriations. In alignment with this timeline, LBCC will present the tentative budget to the Board of Trustees in June and the final budget in September.
- Marlene noted some differences between former Governor Brown and new Governor Newsom. She observed that the COLA is projected at 3.46% for 2019-20, which is nearly a percentage point greater than prior projections and may be subject to change before the final budget is approved. As a hold harmless district, LBCC would receive an increase only on the COLA.
- Marlene added that the January Proposal does not include funding for instructional equipment and deferred maintenance. Last year, the January Proposal included approximately \$2 million, which was reduced to \$500,000 when the final budget was passed. LBCC allocated the total amount to instructional equipment. Not receiving this funding in 2019-20 may affect CTE programs in particular because they purchase expensive equipment.
- Marlene then discussed the proposed \$3 billion (state-wide) allocated for STRS and PERS retirement costs. The additional funds would reduce the District's rate by 1% in 2019-20 and 2020-2021, which was projected to increase more than 1%. So, the cost increase would still occur, but at a lesser rate.
- Then Marlene noted that the Department of Finance changed the state bond award criteria without notice. She explained that when LBCC applies for state funding, a score is assigned based

on a number of factors, such as fire/life safety, classroom capacity, and match funds. The application process is multiyear, and LBCC had expected to receive funding for a project that now does not meet the current criteria because it was deemed less impactful for safety. She added that it may affect Facilities timelines, including swing space during construction.

- Marlene shared that the January Proposal continued the Student Center Funding Formula (SCFF) introduced last year and did not include significant new programs. She reported that there are discussions regarding an interest in capping the increase in completion rates, which is an area LBCC is attempting to impact before the final budget is approved.
- LBCC staff will be updating multiyear projections and implementing the deficit reduction plan, and the Budget summary memo will be issued shortly.

#### **4. FTES Summary 2018-19 P-1 (John)**

*(Refer to "FTES Analysis" handout provided at the meeting)*

John reviewed the FTES Summary 2018-19 P-1 with the following highlights:

- John noted that FTES is reported to the Chancellor's office three times a year—January, April, and July. The report is as of January—Period 1 (P-1).
- John noted that non-credit FTES is calculated at the old rate; credit FTES is calculated in accordance with the SCFF, in which enrollment remains the largest factor.
- John reported that the FTES goal is 20,132.70, and the FTES estimate as of P-1 is 18,993.23, which is more than 1,000 below the goal.
- John reminded the group that in the SCFF, credit FTES is now calculated as an average of the past three years for districts not in hold harmless status.
- Lee asked if given the District's hold harmless status, whether it still made sense to shift Summer FTES. Marlene responded that since FTES is calculated on a three-year average, the Summer shift is less impactful. Marlene added that Lottery funds are based on current FTES, not the three-year average, which means that the District may lose funding from that revenue source and related expenses may be impacted.
- Marlene noted that the Vice President, Academic Affairs, Dr. Scott is working on expanding non-credit, and Vice President, Student Support Services, Dr. Muñoz is focused on supporting students to completion.
- Lee asked if other schools are experiencing a similar decline in enrollment. Marlene responded that the statewide growth factor is .5% and that Los Angeles County K-14 enrollment is declining. John added that many community college districts are reporting either flat or declining enrollment, and Marlene commented that the economy is also a factor.
- Marlene stated that Institutional Effectiveness has refined how the P-1 projection is calculated based on their additional analysis in order to provide the most realistic projection possible. Steve asked if FTES calculations changed in prior years between P-1 and P-2, which Marlene affirmed.

#### **5. Other (Marlene)**

No other items.

The meeting adjourned at 3:42 p.m.

**Next Meeting:** Wednesday, February 13, 2019, at LAC – T-1046 at 3:00 p.m.