

**California Community Colleges
Advisory Workgroup on Fiscal Affairs
September 25, 2015 Meeting Notes**

❖ **Actions Taken**

The workgroup voted to approve the June 4, 2015 meeting notes. The notes will be posted to the Chancellor's Office website under the "Workgroup on Fiscal Affairs" section of the Finance and Facilities Division homepage.

Bonnie & Ann-Marie will start the process of searching for spring meeting dates, then talk to Dan & Lizette. Bonnie will schedule the meetings monthly & then cancel if not needed; she also requests that workgroup members make every attempt to attend meetings in person rather than call in, due to the complexity of many of the issues the group discusses. Also, because the districts on the workgroup are representative of all 72 districts, small, large, rural, single and multi-college districts, it is important that all perspectives are considered in the decision making process and it is difficult to engage folks on the phone in the types of workgroup discussions that occur during the meetings.

❖ **Agenda Items Added**

There was a request to discuss categorical match & MOE, specifically what funding can be used for that.

❖ **Budget Update – Dan Troy – System Budget Request for 2016-17**

Dan reported that the request totaled almost \$1 billion, with large chunks of the funding in core areas including Access, COLA, etc. Also we requested \$200 million for Workforce Development tied to the Task Force's recommendations. Other areas for which new funding is being requested include an augmentation of \$20 million for Basic Skills and \$80 million for Full-Time Faculty hiring. Included within the request for SSSP & Student Equity Plans is some funding for professional development as well as categorical program restoration.

The group mentioned campus security as an area of concern, and also discussed uses of the Full-Time faculty hiring funds (they can also be spent on part-time faculty "in support of student success").

There was a question as to whether SSSP funds could be used to match other categorical program funds such as EOPS. There was some discussion about the difference between prohibiting state money being used to match other state money (because general apportionment is state funding) vs. the clear guidance that federal funds can't be used to match other federal funds. Dan suggested contacting Denise Nolden about match policies overall, rather than specifically asking whether SSSP can match EOPS, for example.

Another question on match was whether it must come from unrestricted funds. Dan agreed to have Legal revisit the previous opinion from Ralph Black.

❖ **Apportionment revision – Diane Brady**

The Advance apportionment for 2015-16 was being revised to incorporate the new funding for the Base Increase and the Full-Time Faculty hiring. The State Controller's Office was getting ready to distribute the funds at the time of the meeting. There was some discussion about ways to better display the apportionment reports so they would be easier to read and would feature the most important information to districts most prominently. The Chancellor's Office will take suggestions from CBOs and Fiscal Directors on possible changes to the Exhibit C in an effort to make the display more user-friendly.

❖ **Growth Formula, Part 2**

When the "new" growth formula was developed last year, issues were identified that the workgroup felt needed to be revisited. In addition, under SB 860 (2014), "beginning with the 2016-17 fiscal years, the chancellor shall adjust upward the need determination based on each community college's effectiveness in serving residents of neighborhoods, within or outside of the community college district's boundaries that exhibit the highest levels of need in the state." Therefore, the workgroup will begin to discuss the directive at its November meeting.

In addition, there was a discussion of adding a third component to the growth formula while leaving all else the same; it was felt that the optics of this would be better than sweeping changes.

There was also some discussion about the use of P2 FTES numbers as a base for some allocation formulas & the potential that it could lead to manipulation of numbers to gain an advantage.

This item will continue to be on the workgroup agenda for upcoming meetings.

❖ **Base increase/basic allocation**

There was a discussion as to whether we should try to model a new method of doing the basic allocation. Peter offered to give us some info from the original workgroup that developed SB 361 and will bring to the next meeting of the workgroup.

❖ **Other agenda items**

Funding impacts for approvals of new state centers and colleges - was an issue in the past because it reduced the pot & caused a deficit if there was no growth funding available. Now the group feels it

is not an issue since we advise Finance of the upcoming center and college approvals so that they can include funding for them in the system budget. There was a suggestion to adjust the regs so as to lay out how new colleges and centers are treated and funded. It was decided to look at the info from the past workgroup and give an update to members at the next meeting.

Issues to be discussed at future meetings include IEPI, workforce issues, and general funding for non-growing districts. Also the group decided to try a schedule of 10-2 for future meetings with no breakfast being provided.

❖ **Upcoming Meetings**

- Friday, November 6, 2015 Lunch to be provided by ACBO
- Thursday, December 3, 2015 Lunch to be provided by the Chancellor's Office

❖ **Attendees at the September 25, 2015 Meeting:**

- Bonnie Ann Dowd – San Diego CCD
- Ann-Marie Gabel – Long Beach CCD
- Theresa Matista – Los Rios CCD
- Doug Roberts – Sonoma CCD
- Jeff DeFranco – Lake Tahoe CCD
- Peter Hardash – Rancho Santiago CCD
- Sue Rearic – Grossmont/Cuyamaca CCD
- Kathy Blackwood – San Mateo CCD
- Lizette Navarette – CCLC
- Andy Suleski – ACBO President (non-voting member)
- Dan Troy – CCC Chancellor's Office
- Diane Brady – CCC Chancellor's Office
- Mario Rodriguez – CCC Chancellor's Office
- Chris Yatooma – Sierra Joint CCD (phone in)
- Sharlene Coleal – Santa Clarita CCD (phone in)