

**EL CAMINO COLLEGE**  
**Planning & Budgeting Committee**  
**Minutes**  
**Date: March 15, 2018**

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**MEMBERS PRESENT**

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|----------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Amy Grant – Academic Affairs           | <input checked="" type="checkbox"/> Jeff Hinshaw–Administrative Services |
| <input type="checkbox"/> Ken Key - ECCFT                                   | <input checked="" type="checkbox"/> Jackie Sims -Management/Supervisors  |
| <input checked="" type="checkbox"/> David Mussaw - ECCE                    | <input type="checkbox"/> Ruben Lopez – Campus Police                     |
| <input checked="" type="checkbox"/> Rory K. Natividad – Chair (non-voting) | <input checked="" type="checkbox"/> Greg Toya – Student Services         |
| <input type="checkbox"/> Alex Ostrega – ASO Student Rep.                   | <input checked="" type="checkbox"/> Josh Troesh – Academic Senate        |
| <input checked="" type="checkbox"/> Jose Anaya – Community Advancement     |                                                                          |

**Alternate Members:** J. Gutierrez, K. Iino, C. Jessop-Vakil, G. Robertson, S. Waterhouse

**Support:** B. Atane, B. Fahnestock, I. Graff, A. Leible, J. Miyashiro, R. Miyashiro

**Other Attendees:** R. Dreizler, A. O’Brien, T. Silerio

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The meeting was called to order at 1:03 p.m.

**Approval of the March 1, 2018 Minutes**

1. The minutes of March 1 were presented to the committee for approval.
2. The minutes were approved and will be posted on line.

**Funding Formula**– D. Maloney / B. Fahnestock

1. A brief overview was given on the budget development process. In January the governor presents a budget proposal for funding higher education. The budget proposal usually has some serious policy implications. It is not just about the money, it usually reflects some policy implications; things the governor would want from our system. In the budget trailer language which follows, there are usually details of those policy implications. The assembly and the senate then begin to have budget hearings to reveal the details. The legislative analyst will then release an analysis of what their perception is on the implications. The Department of Finance continues to review and finalize all revenue projections. In May the governor will then release a revise of his original proposal. Once the May revise is released, it gives more direction and urgency to things. The two houses of the state legislature meet and ultimately produce a final budget that is agreed to by all parties (the governor and the legislature). El Camino presents our tentative budget to the Board of Trustees in June. It is expected we will have a timely budget out of the legislature this year.
2. The various proposals in the governor’s budget were reviewed. The budget listed a proposed 2.15% COLA as well as a \$175 million augmentation which is related to the change in the funding formula. This money is to keep districts whole next year. The Department of Finance did simulations on the proposal and it was noted the number does not seem right. The governor proposed the establishment of the 115<sup>th</sup> fully on-line college. This proposal came from a number of directions as well as a work group titled FLOW (flexible on-line workability). There was \$46 million in the proposal to fund the College Promise. We are not sure this is enough money to fund all of the first-time, full-time students in all the community colleges up and down the state. A proposal for deferred maintenance and instructional equipment is slated to receive \$275 million. Proposition 51 – Capital Construction Projects is projected to receive \$44 to \$45 million which will assist in funding 20 projects across the state.

3. The biggest policy change behind the governor's proposal has to do with the funding formula which would shift things to performance-based funding (recognizing student success). Currently our funding has been based on FTES. Under the governor's new funding formula, only 50% would come from the generation of FTES, 25% would come from supplemental grant formula funding and 25% would come from student outcomes.
4. The Department of Finance produced two simulations on this proposal to help each college see what their funding would be if this proposal was implemented. The first simulation showed we would lose \$6 million and the second showed we would be ahead \$6 million. Some districts would not survive this formula. The Chancellor called together a group to work on this. A report was produced and is available on the website. The access-based approach we have been using has not been working well because we have 32 districts in stabilization including El Camino. As the population of college age students goes down, we find we are not sustainable in meeting our cap. The model is out of step with where we are at with enrollment as a system.
5. In the governor's proposal there was an immediate implementation proposed. A new formula cannot be implemented that quickly. Time is needed to plan, strategize, evaluate and to acquire a reasonable simulation. The CEO work group felt we should take time with the implementation. The recommendations were as follows:
  - Establishment of a process for an annual review and analysis of the formula.
  - A report back to the legislature and the Board of Governors by March of each year.
  - Make adjustments.
6. The proposal from the work group focuses on access and equitable success. It provides measures for all transfers, employment and economic mobility and captures momentum points.
7. The CEO workgroup recommended the plan should not be implemented in one year but should be phased in over three years. The year 2020 would be the first year the metrics would begin to change. There would be a two-year period where no district would get less money than it did at the start of this change (a two-year hold harmless). This would allow time for preparing and planning. In the third year 95% of our funding would be based on access and 5% based on outcomes. These equitable success metrics would increase by 5% each year until full implementation. At full implementation, over \$2 billion would be dedicated to Equitable Success metrics. By 2024 we will be at a level where we will have 75% of our funding based on the students we serve (through apportionment) and 25% would be based on outcomes.
8. It was questioned whether or not we should take some of the FTES from summer to reach our goal as this would be our funding for the next two years. If we borrow from summer we will enter next year at a deficit. It is important we solidify the revenue we can access this year as it will carry us over into the next year and the following year. This will give us the opportunity to restore our FTES.
9. It was noted there have been other states that have changed to performance-based funding. Their results showed mixed outcomes. This proposal is something important that we want to shape so it works for our students.
10. It was reiterated that the implementation of this plan is much too quick for us to do a good job at figuring everything out.
11. There are numerous questions regarding the fully on-line 115<sup>th</sup> college. This proposal is based on the premise there are people in the work force who do not have any credential or degree and that they are not accessing their community college. They are referred to as "the stranded worker." The solution to this is the fully on-line 115<sup>th</sup> college which would be easy to access. This proposal needs further analysis to see if this is the right conclusion for this population. No one has validated that "the stranded worker" would take advantage of this source of education. There are many parts of California that lack broadband access thus presenting an equity problem. The current community colleges already have a robust on-line program already in place. It may be more prudent to invest the allocated funds for this program into the current community college system to strengthen it further.

**Informational Items Update** – R. Natividad (handout)

1. A listing of the current members was distributed for the committee to critique for any corrections. The committee was asked to review reach out to any constituents if they see their area is in need of an alternate member for the committee.
2. The flow chart for the Annual Planning and Budgeting Process was also distributed. It was noted all of the unit plans should be done to allow the vice-presidents the time that they need to filter their respected area plans.

**Adjournment** – R. Natividad

1. The meeting adjourned at 1:54p.m. The next meeting will be held on **April 5, 2018** at 1:00 p.m. in Library 202.

RKN/lmo

Approved