



BUDGET COMMITTEE

MINUTES

April 9, 2019

A meeting of the Budget Committee was held April 9, 2019, in Room AA-140. The meeting was called to order at 2:50 p.m. by Carmen Coniglio, Sr. Director, Fiscal Services on behalf of the Vice President of Finance and Administrative Services.

Roll Call

Members Present: Barbara Baer, Carmen Coniglio, Carmelino Cruz, Jack Kahn, Kendyl Maguson, Connie Moise-substitute AA representative, Travis Ritt, Linus Smith, Fari Towfiq, Anastasia Zavodny

Members Absent: Ron Ballesteros-Perez, Anel Gonzalez, Mireya Gutierrez-Aguero, Tricia Frady, Aaron Holmes, Teresa Laughlin, Candace Rose

Guest: Susan Snow

Recorder: Jennie Vastola

I. Approval of Minutes:

A quorum was not reached in time for the minutes from the March 12, 2019 meeting to be approved. The minutes were tabled until the next meeting.

II. Old Business

A. The SCFF Metrics Continued

Carmen Coniglio gave a PowerPoint presentation and gave an overview of the Student Centered Funding Formula (SCFF) and potential impacts to the budget. The SCFF formula aligns with the State's strategy to achieve the Vision for Success goals, focused primarily on three main areas: access, equity, and performance. The SCFF apportions funding using a 70% Base Allocation linked to enrollment, a 20% Supplemental Allocation designed primarily to benefit low-income students, and a 10% Student Success Allocation based on student outcomes.

The base allocation is intended to promote broad access to the community colleges, determined based on district size, number of approved centers, and enrollment in terms of FTES generated, with specific funding rates associated with the three-year rolling average of credit FTES, special admit credit FTES, incarcerated student credit FTES, CDCP FTES, and traditional non-credit FTES.

The Supplemental Allocation recognizes that districts must provide additional support to remove barriers to access and success for certain groups of students. Determined based on the prior headcounts of Pell Grant recipients, California Promise Grant recipients, and AB 540 students.

The Student Success Allocation encourages progress on outcomes linked to the goals included in the Vision for Success. Determined based on prior year headcounts of those outcomes associated with earning degrees and certificates, completion of transfer-level Mathematics and English within

first year, and/or nine or more CTE units, transfer to 4-year institution or attaining the regional living wage within one year of leaving community college).

B. FY18-19 Year-End Closing Schedule

Carmen Coniglio reviewed the Year-End Closing Schedule, emphasizing the importance of adhering to all deadlines to ensure Fiscal Services can close the FY18-19 books and develop the FY19-20 Tentative Budget in a timely manner. Monday, April 29th is the deadline to submit requisitions for Unrestricted Fund, change requests for open P.O.'s, and service agreements for activity which should be processed against the current fiscal year 2018-19 unrestricted fund source. The Year-End Closing Schedule is also available on the Fiscal Services [website](#).

III. New Business

A. FY 19-20 First Principal Apportionment

Carmen Coniglio reviewed the budget development process and timeline. The Chancellor's Office (CO) released the First Principal State Apportionment Report (P1) in March, which uses preliminary current-year enrollment data for the Base Allocation and now includes prior year data for the Supplemental Allocation and Student Success Allocation. The CO's calculations show an estimated \$324 million shortfall in the general apportionment appropriations, which may result in a potential \$5.6 million proportionate reduction for Palomar College. The state budget shortfall has two components: (1) The Chancellor's Office produced a simulation of the SCFF in July 2018 making assumptions for 2018-19 funding using FTES as of the second principal apportionment for 2017-18 and Supplemental Allocation and Student Success data for 2016-17. The Governor's Budget also included estimates of the cost of the SCFF based on new estimates for all the SCFF components. Carmen explained the estimates used for the different points in time. In final FTES submittals for 2017-18, FTES increased significantly for certain districts, which resulted in additional SCFF costs compared to the initial estimates. (2) The Chancellor's Office noted that for 2018-19, revenues available to offset the SCFF, i.e. property taxes, EPA, and student fees, are lower than estimated in the Governor's budget. The Chancellor's Office indicated that they will continue to work with the Governor and the Legislature to seek the necessary adjustments to the current year appropriations to fund the full costs of the general apportionment for all districts.

The SCFF statutes specify that districts receive the higher of (1) the SCFF Calculation for 2018-19 or (2) the Total Computational Revenue (TCR), adjusted by the 2018-19 COLA (2.71%). Therefore, the TCR shown on the P-1 First Principal Apportionment Report shows the "hold harmless" calculation generated based on the TCR in 2017-18 adjusted by COLA. For 2018-19, the Chancellor's Office intends to apportion to each district at least their 2017-18 TCR, adjusted by 2018-19 COLA.

The District's funding for FY2019-20 is projected to be the same as the 2017-18 Total Computational Revenue, adjusted by the 2018-19 and 2019-20 COLAs. A lot of discussions continue around the new funding formula and there are further modifications being proposed by various stakeholders across the state, which could shift available funding within the system in significant ways. More information on 2019-20 budget assumptions along with the May Revise information will be shared at the next meeting.

B. Approved Regulation – Report of District's Financial Condition

Carmen Coniglio reported that the Chancellor's Office has eliminated the requirement for Districts to submit a 311 4th quarter report. The annual report will continue to be submitted to the CO by October 10.

IV. Other

A question was raised regarding the status of the planned FCMAT visit. Connie Moise reported the FCMAT visit has been postponed until after the IEPI process and review has been completed.

V. Adjourned

There being no further business, the meeting was adjourned at 3:25 pm.