
LOS RIOS COMMUNITY COLLEGE DISTRICT
DISTRICT BUDGET COMMITTEE

February 7, 2018

Ethan Way Center –Room 205

3:00 p.m.

(Approved 5-9-18)

Members Present

Greg Rose, Cory Wathen, Carrie Bray, Kuldeep Kaur, Lorilie Pitts, Troy Myer, Karen Melton, Daniel Kwong, Dan McKechnie, Carlos Lopez, Paul Carmazzi, Theresa Matista

I. INTRODUCTIONS

Greg called the meeting to order and welcomed everyone to the meeting.

II. REVIEW/APPROVAL OF MINUTES

The Committee approved September 13, 2017 and December 13, 2017 minutes by consensus.

III. DISTRICT BUDGET ITEMS

A. Spring Budget Update

The Governor released his 2018-19 January budget proposal. The Governor proposes a \$60M increase in Growth and COLA. He also proposes \$120M in one-time funds and \$20M in ongoing-funds for an online college. The intent of this college is to provide non-credit vocational training, career advancement opportunities and credentialing online. There are an estimated 2.4M adults in our state that only have a high school degree and live in remote areas without access to higher education. This is designed to give them better skills and lead to employment. The Governor also proposes \$264.3M for scheduled maintenance and instructional equipment for next year. Los Rios's share of that would be about 5%. The Governor also funds the California College Promise with \$46M. This program is for full-time first-year students enrolled in 12 or more units. This was part of AB19 and is coming out of Proposition 98 dollars. It is very likely that this last proposal will pass and we will be funding these fees before the budget is enacted. We will administer this program out of our financial aid offices. This program is for students that do not qualify for the BOG fee waiver and may help with enrollment.

The Governor is proposing a new funding formula. While there have been no simulations released yet, we have reviewed the trailer language to get an idea of what we will receive. Our initial estimates are incomplete because we are not sure of what data the Department of Finance will use in the new formula. Under the current funding model, Los Rios receives 4.4% of the total computation revenue or \$303,686,039. The Basic Allocation makes up 8% of this at \$24,332,342 and FTES funding makes up 92% of the total of \$279,353,697. The new proposal preserves the basic allocation and reallocates the FTES funding using 50% of the total FTES funding and adding new elements for the rest. One new element of the FTES funding is the Supplemental Grant, which includes the Promise Grant and the Pell Grant head counts. Los Rios will benefit under this calculation. The other new element will be the Student Success and Initiative Grant which counts degrees, awards and certificates, and Associate Degrees for Transfer. At first glance, it appears Los Rios will benefit from this funding formula. Under the new formula, if you come out ahead, you will receive COLA. If you come out behind, you will not get the COLA, but will get the same base allocation as you received in 2017-18. Under the new proposal, the summer shift is no longer an option. There are still a lot of questions about this funding formula. The Fiscal Affairs Workgroup will meet to discuss and propose recommendations. We will keep the Budget Committee informed when we have more information.

B. Spring Enrollment

Theresa reviewed the Daily Enrollment Report. Overall, the District's WSCH is down 1.68%.

C. 2018-19 Initial Planning

Theresa noted that it is difficult to plan with the new funding formula in the mix. We need to wait and see until we have more information on funding formula. It looks like the worst case is exactly what the District received in 2017-18. Under the new formula, we can only do better, but we do not know what that looks like. We are focusing on the remaining bond projects. The Governor did not fund the Natomas Center again this year. We have prepared letter to the Department of Finance as to why the Natomas Center should be funded, but we do not know if we will receive funding. We are looking at the remaining projects to see if we go forward with just local bond funds. At this point, we are looking to go out for a local bond measure in 2020. We are making a list of what we would fund. The purpose of the bond would be to fund facilities and equipment.

IV. MEMBER COMMENTS

There were no member comments.

V. FUTURE MEETINGS

The next meeting is May 9.

The meeting adjourned at 4:00 pm.