

DISTRICT CONSULTATION COUNCIL
January 28, 2019

SUMMARY

MEMBERS PRESENT: Cathy Dunne, Craig Goralski, Manjit Grewall, Martha Gutierrez, Raine Hambly, Sharon Kelly, Cherry Li-Bugg, Cheryl Marshall, Dawnmarie Neate, Arturo Ocampo, Kim Orlijan, Irma Ramos, Lizeth Sanchez, Greg Schulz, Bryan Seiling, Fred Williams, and Marcus Wilson.

VISITORS: None.

Chancellor Cheryl Marshall called the meeting to order at 2:07 p.m.

CONSENT CALENDAR & SUMMARY

Consent Items: The agenda contained no consent items.

Summary: The summary of the November 26, 2018, meeting was approved.

STRATEGIC GOALS & PLANNING

Budget Update

FTES: Fred Williams, Vice Chancellor of Finance & Facilities, shared the 2018-19 P-1 numbers, that were shared by Chancellor Marshall at Opening Day, which are 3.06% down overall. The individual institution numbers were also shared and included Cypress College up by 2.59%, Fullerton College down by 7.55%, and NOCE even with last year. It was noted that the Fullerton College number is reflective of noncredit enrollment and changes are being implemented that will capture additional enrollment in the future.

FTES are down significantly; down 7% since 2014-15. Staff will use the FTES information to start to build assumptions for the 2019-20 year. Since the State simulations are not correct at the moment, they will be shared later along with the calculators.

Governor's Budget: The community college budget in the Governor's January Budget includes:

- \$40 million for a second year of the California Promise – with details not disclosed yet
- COLA of 3.46% for the General Fund and selected categorical programs
- Enrollment growth of .55% or \$26 million – not applicable to the District
- \$3 billion in one-time contributions to STRS to buy down rates for 2019-20 and 2020-21
- A 10% cap on increases to the Student Success Allocation – different than previously

Vice Chancellor provided a joint analysis of the Governor's Budget and reported that the next milestone will be the Governor's May Budget Revise. He also noted that staff will prepare District assumptions based on the revise and that a Board Study Session on the budget will occur at the February 26 meeting.

FON: Vice Chancellor Williams stated that with the decrease in FTES, the District has a corresponding decrease in the FON. The FON calculation provided included a 2018-19 FON of 528.8 and 2019-20 FON of 564.90. Chancellor's Staff originally approved the hiring of 45 positions, but six additional Cypress College positions were later approved after realizing that the proportion was off due to the FTES decline. Ultimately, the District expects to be about nine faculty positions over the FON.

New Funding Formula Scenarios: Mr. Williams indicated that he would share the new funding formula calculator after updating the district data and including the P-1 information, and demonstrated how to use it. He noted that the decline in enrollment would have a significant impact and provided handouts from the State Chancellor's Office that includes all 72 districts. He expressed concern with the available data, but said that we will be better able to pinpoint to areas where we might be lagging and exceling. The current data in the calculator is from 2016-17, but by February 15 another version with the 2017-18 data for all districts will be released.

The calculator originally only used three categories (credit, noncredit, CDCP), but now includes a slew of categories. For the District, the hold harmless funding appears to be \$12.5 million for 2018-19, which was \$9 million when it was originally presented to the Board. In subsequent years, it grows to almost \$19 million, which signifies that the District is growing less, and relying more on the hold harmless funding. Mr. Williams stated that reliance is concerning and indicates that the District has two years to right-size the budget, especially with the 10% cap on student success that will not allow for double counting. He also noted that time needs to be spent on capturing information and ensuring that it is accurate due to funding implications.

State Meeting Updates: Chancellor Marshall provided an update from the Budget Session at the CCLC Conference with State Vice Chancellor Christian Osmeña where there was a lot frustration in the room. She reported that the State is beginning to put limits on funding of the 10% metrics; they have not determined which college will receive credit for students who take 12 units at multiple colleges; that colleges should expect to serve their demographic populations (with respect to living wage) without different expectations; and in response to questions about the less stable formula, districts were advised to look at their reserve levels. Dr. Marshall noted that the feeling is that Governor Newsom might be open to change on the formula and that provides hope that there might be an opportunity with him and state legislators since there appears to be no traction with the State Chancellor's Office.

At the CEO Task Force, Chancellor Marshall reported that there appears to be a growing disconnect between the Department of Finance and the State Chancellor's Office, and that a legislative oversight committee has been formed. It also appears that a majority of legislators are not happy with the formula and how it was developed and have expressed concern about it during times of recession and unintended consequences.

Chancellor Marshall will forward any available materials from each meeting as available.

Anaheim Pledge/Promise Program Status Update: As part of the update, Chancellor Marshall noted that not all Pledge students were successfully enrolled in 12 units in the Fall semester. Tina Miller, Special Projects Manager, will provide a list identifying those students, and will work with the CEOs and college foundations to problem solve. That information will also be shared with DEMAC on February 4.

The committee discussed the possibility of adding late start classes to help students enroll in 12 units; consideration for students who simply cannot take 12 units; why students did not complete FAFSA forms; and whether students didn't enroll in 12 units or whether they did, and then dropped courses. Dr. Marshall emphasized that many lessons have been learned during this pilot year, but that collectively we must figure out how to pay for those deficient in units and learn how to prevent it in the future because the Fullerton Educational Promise is right around the corner, and possibly Garden Grove too.

District Legislative Priorities: The committee received a copy of the District's 2019 legislative priorities approved by the Board on November 27, 2018. The priorities include the following:

State Priorities

1. Ensure the student centered funding formula is implemented in a way that fully captures the robust mission of the California Community College System.
2. Advocate changing the Faculty Obligation Number (FON) formula to ensure equalization and equity across the state.
3. Ensure categorical consolidation metrics are clear and offer colleges accountability measures.
4. Support policy to help students address basic needs.
5. Advocate for thoughtful and intentional inclusion of noncredit students in all California community college statewide initiatives and ongoing support for the Adult Education Program (AEP).
6. Support resources and legislative efforts to further the guided pathways framework.

Federal Priorities

1. Engage in reauthorization of the Higher Education Act.
2. Support funding for federal student financial aid.
3. Support Deferred Action for Childhood Arrivals (DACA) and The Dream Act.
4. Support funding for the Workforce Innovation and Opportunity Act and Carl D. Perkins Career and Technical Education Act.
5. Protect students' civil rights.

POLICY

Upcoming Policies and Procedures: The policies and procedures slated for review at the February 25 DCC meeting will be posted on Teams by the end of the week. Chancellor Marshall asked members to review the items and share them with others. A list of the items for review will be distributed by the Chancellor's Office.

OTHER

Future Agenda Items: Dr. Marshall indicated that more information and discussion on the funding formula and one-time funding recommendations would take place at upcoming DCC meetings. Attendance was encouraged at the Cypress College SEM Building Groundbreaking taking place on February 8 at 10:00 a.m.

ADJOURNMENT: The meeting adjourned at 3:30 p.m.

NEXT MEETING: February 25, 2019