ACBO Fall Conference

Chancellor’s Office Update

College Finance and Facilities Planning Division
October 30, 2019
Division Organization Chart...until November 1
Emergency Conditions Allowance

• Regulatory changes were made to align with the SCFF and clarify current ambiguities in the process of granting emergency conditions allowances.
• Amendments were based on feedback from Consultation Council, BOG, districts, and the public.
• The regulations were adopted at the BOG September 2019 meeting.
Update on 2018-19 Apportionment

• In 2018-19, funds appropriated for the SCFF were insufficient to support its costs.
• This required the Chancellor’s Office to determine how to manage the apportionment of funds within available resources.
  • Following consultation with DOF and legislative staff, highest priority has been to apportion to all districts at least their 2017-18 revenues, adjusted by COLA.
  • Impact of the revenue shortfall was felt most acutely by those districts that would have seen the most significant year-over-year gains in transitioning to the SCFF.
• Using most recent estimates, an additional $103 million is needed for 2018-19 to fully fund all districts.
• Chancellor’s Office will make final apportionment by December.
Changes Made in 2019 Budget Act—Student Success Allocation

• *Highest Award*—Counts only the highest of all awards (i.e., associate degree for transfer, associate degree, baccalaureate degree, and credit certificate) a student earned in the same year.

• *Enrollment in Award Year*—Counts an award only if the student was enrolled in the district in the year the award was granted.

• *Transfer Definition*—Amends the definition of a transfer student: a student who completed 12 or more units in the district in the year prior to transfer and then exited the CCC and enrolled in a four-year university would be counted.

• *Three-Year Average*—Calculates the student success allocation based on three-year averages of each of the measures in the allocation.
Changes Made in 2019 Budget Act—Implementation

- *Minimum Revenues through 2021-22*—Extends the existing minimum revenue provision of the SCFF, specifying that districts will receive at least the 2017-18 TCR, adjusted by COLA each year, through 2021-22. (Current law provides this commitment through 2020-21.)

- *Amended “Stability” in 2019-20*—Specifies that, in 2019-20, a district receives the higher of the SCFF calculation or the minimum revenues calculation.
New Funding Rates

• The budget charges the Chancellor’s Office with determining the final funding rates for 2019-20 consistent with these policy adjustments.
• The Chancellor’s Office is consulting with the Advisory Workgroup on Fiscal Affairs and other advisory bodies regarding methods for use in apportioning funds in 2019-20, and further guidance is forthcoming.
New Funding Rates

**Student Centered Funding Formula**

\[\text{Total Computational Revenue} + \text{Budgeted Growth} - \text{Minimum Revenues} - \text{Cost of Noncredit FTES at Existing, COLA-Adjusted Rates} - \text{Cost of CDCP FTES at Existing, COLA-Adjusted Rates}\]

\[ \text{Funds Available for Distribution} = \text{Funds Available for Distribution} \]

- **Base Allocation** (70% of Funds Available)
- **Supplemental Allocation** (20% of Funds Available)
- **Student Success Allocation** (10% of Funds Available)
New Funding Rates

**Base Allocation**

- Amount Equal to 70% of Funds Available *(Starting Value)*
- Cost of Basic Allocation at Existing, COLA-Adj. Rates
- Cost of Special Admit Students at Existing, COLA-Adj. Rates
- Cost of Students in Correctional Facilities at Existing, COLA-Adj. Rates

= Funds Available for New Credit FTES Rate

/ Credit FTES (Less Special Admits and Students in Corr. Facilities)

= New Credit FTES Rate
New Funding Rates

**Supplemental Allocation**

\[ \text{Amount Equal to 20\% of Funds Available (Starting Point)} \]
\[ \div \text{Total Point Count} \]
\[ = \text{New Supplemental Allocation Point Value} \]
New Funding Rates

Student Success Allocation

+ Amount Equal to 10% of Funds Available (Starting Point)
\times 75\% for Student Success Allocation—Main Component
/ Total Point Count for Main Component
= New Main Component Point Value

\times 25\% for Student Success Allocation—Equity Component
/ Total Point Count for Equity Component
= New Equity Component Point Value
# Key Dates

<table>
<thead>
<tr>
<th>Item</th>
<th>Date</th>
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<tbody>
<tr>
<td><strong>Supplemental and Student Success Metrics</strong></td>
<td></td>
</tr>
<tr>
<td>Data runs for 2016-17 &amp; 2017-18 available</td>
<td>October 2019</td>
</tr>
<tr>
<td>Data correction period starts</td>
<td>December 1, 2019</td>
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<tr>
<td>Data correction period ends</td>
<td>January 14, 2019</td>
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<tr>
<td>PPPY, PPY, &amp; PY data runs finalized for apportionment purposes</td>
<td>January 15, 2019</td>
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<tr>
<td><strong>Apportionments</strong></td>
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<tr>
<td>2018-19 R1</td>
<td>December 2019</td>
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<tr>
<td><strong>2019-20 Rates</strong></td>
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<td>2019-20 rates established at P1</td>
<td>February 2020</td>
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<tr>
<td>2019-20 rates adjusted at P2</td>
<td>May 2020</td>
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Resources

• Release of revised FCMAT Calculator
• Data definitions
• Professional development
  • SCFF module on the Vision Resource Center
  • Webinar on December 10, 2019
SCFF Oversight Committee

• Legislation enacting the SCFF created an oversight committee consisting of 12 members appointed by the Senate Rules Committee, the Assembly Speaker, and the Governor.

• The committee is charged with making recommendations:
  • By January 1, 2020, on use of measures (as part of the supplemental allocation) related to a student’s status as a first-generation college student, a student’s financial need given regional considerations, and a student’s academic proficiency.
  • By June 30, 2021, on funding for noncredit courses and instructional service agreements, as well as methods by which allocations could be adjusted in a recession.

• Committee took some actions at meeting on September 4.
Fiscal Health Monitoring

• Existing law requires the Board of Governors to adopt criteria and standards for the periodic assessment of the fiscal condition of community college districts.
• Goal is to prevent cases where it would be necessary to appoint a special trustee or seek an emergency appropriation.
• Use existing data (e.g., budget and financial reports and audit data) to perform our analyses and ensure transparency.
Fiscal Health Monitoring Benefits

• The Chancellor’s Office would provide the following support to districts needing assistance:
  • Professional development
  • Technical assistance
  • Direct intervention to support improvement
• An analysis of statewide trends would also inform systemwide training and support, requests for additional resources, and policy development.
## 2018-19 Fiscal Health Monitoring

Prior to gathering additional information

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<th>(Surplus/Expenditures) &gt; 0%</th>
<th>(Ending Balance/Expenditures)</th>
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<tr>
<td></td>
<td>&lt; 5%</td>
<td>5%-10%</td>
<td>&gt; 10%</td>
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<td>High Risk</td>
<td>Moderate Risk</td>
<td>Low Risk</td>
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<tr>
<td>FCMAT Review</td>
<td>Fiscal Health Assessment</td>
<td>No Immediate Follow-Up</td>
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<td>Questionnaire</td>
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<th>(Ending Balance/Expenditures)</th>
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<th>Large Deficit (Deficit/Expenditures) &lt; -5%</th>
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<tr>
<td>Highest Risk</td>
<td>High Risk</td>
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<tr>
<td>FCMAT Review &amp;/or Special Trustee</td>
<td>FCMAT Review</td>
<td>No Immediate Follow-Up</td>
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### Definitions

- **Low Risk**: No Immediate Follow-Up
- **Moderate Risk**: Fiscal Health Assessment Questionnaire
- **High Risk**: FCMAT Review
- **Highest Risk**: FCMAT Review &/or Special Trustee

IEPI Partnership Resource Team (PRT)

• This colleagues-helping-colleagues model is available to colleges, districts, and centers interested in getting support on issues that matter most to them.

• Process begins with a short Letter of Interest from the institution’s CEO.

• A team of subject matter experts is drawn from a pool of system and partner volunteers.

• CEO reviews the team make-up to ensure no unintended conflicts exist.
What to Expect from a PRT?

• Partnership Resource Teams make three visits. Visits consist of:
  • An initial gathering of information.
  • Assisting the institution in developing improvement strategies and timelines via an Innovation and Effectiveness Plan.
  • Providing follow-up support.
• PRT will help chart a road to improvement through a Innovation and Effectiveness Plan.
• Grants of up to $200,000 in seed money are available to institutions that receive team visits and submit their Innovation and Effectiveness Plans.
Fiscal Crisis Management and Assistance Team (FCMAT)

- The Chancellor’s Office partners with FCMAT to provide statewide support in the form of:
  - Audits, examinations, or reviews.
  - Technical assistance, training, and short-term institutional research.
  - Unsolicited reviews of districts experiencing financial threats.
- Fiscal Health Risk Analysis available on their website and recommended all districts incorporate this into their local budgeting processes.
How to Receive FCMAT’s assistance

• Contact the Chancellor’s Office to start discussion.
• CEO submits a letter requesting FCMAT assistance and describes areas of focus. Examples include but is not limited to:
  • Strategic enrollment management
  • Budget projections
  • Internal controls over fiscal processes
• If funds are available, the Chancellor’s Office will enter into a contract with FCMAT to conduct the study.
CDAM SCFF Audit Procedures
FCMAT Data Management Practices Review

Recommendations for Districts

“Establish the expectation for shared ownership of data management responsibilities at the executive level and communicate this expectation to all departments.”

• Roles and responsibilities
• Documented desk procedures
• Communication
• Training
CDAM SCFF Audit Procedures
Internal Controls over Data Management

District Policies
- Roles and responsibilities
- Training
- Data flow
- Data definitions
- Accuracy and completeness

Desk Procedures
Document data flow and steps taken to complete attendance accounting tasks and report financial aid and student success data.
Status Update on Manuals

Budget and Accounting Manual 2020

Student Attendance Accounting Manual
• Final draft is under review by the StAAR Committee

Contracted District Audit Manual
• Draft to ACBO’s Fiscal Standards and Accountability Committee and CPA Firms in December
• January 2020 release
AB 1504 – Student Representation Fee

For ALL Colleges with a student body association:
• Student Representation Fee = $2
• $1 of each $2 collected goes to statewide student senate
• Eliminates the authorization for a student election to terminate fee
• A student may refuse to pay
  • Same form used for fee collection
  • No requirement to provide a reason for not paying
  • Implement for 2020-2021 Fiscal Year
2019-20 New Categorical Program Updates

• The Housing Insecurity and Homelessness Pilot Project ($9 million)

• The California Community Colleges Mental Health Services Grant Program ($7 million)
Housing Insecurity and Homelessness Pilot Project

Purpose:
• Connect students with community resources
• Establish emergency housing procedures
• Provide emergency grants to students

Status:
• A request for interest letter will be released in November that provides an update on requirements and timing.
California Community Colleges Mental Health Services Grant Program

Purpose:

• Support collaboration between community college districts and county behavioral health departments

• Improving student access to mental health services

• Improving early identification and intervention programs.
California Community Colleges Mental Health Services Grant Program

Status:

- A request for application memo was sent out on September 23rd.

- Letter of intent to apply from applicants were due by October 4th.

- Formal applications were due by October 18th.
California Community Colleges Mental Health Services Grant Program

Status:

• Intent to award memo is scheduled to be released this Friday.

• Final awards will be announced on December 2\textsuperscript{nd} pending board approval in January.

• Grants anticipated to be released in May ranging from $400,000 to $500,000 per grant.
Facilities

• AB 48
  • Increase the total amount of bonds issued from 1.25% to 2% of taxable property of the district
  • $15 billion for K12, CCC, CSU, and UC
    • $2 billion CCC
  • 4 year program
  • 1 project per campus over a two year period
  • $500 million per year

• Recategorization and Prioritization
  • Changes are still in discussion with LAO
Student Housing

- Board of Governors interest and future legislation
- Proposal for the CCC system for feasibility study
- CivicSpark student housing fellows
  - Compton CCD
  - Sierra CCD
Board of Governors Climate Change and Sustainability Policy

- Board of Governors approved in May 2019
- Built on the foundation of the previous Chancellor’s Office sustainability policy
- Focused on the affects of climate change
- Alignment with California’s Climate Change Strategy
- Offers goals for 2025 and 2030
- Calls for climate change and sustainability efforts in all operational areas of a college/district
Planning for 2020-21

• Budget and Legislative Request

• Capital Outlay
  • 2020-21 Spending Plan
    • $620.9M – 39 continuing projects
    • $28.8M – 25 new projects PW Phases

• Department of Finance
  • Renovation/Modernization projects
    • Seismic study
  • Local contribution needed
Proposition 39 Update

• Proposition 39 Extension
  • Board President Epstein approved the Proposition 39 extension
  • 22 districts with $5.8 million in funds remaining
  • Opt to return funding or move forward with projects
  • Participating districts will pay for the administration fees
  • Invoicing process TBD
2019 Board of Governor’s Energy and Sustainability Awards

• November 1, 2019 – Nominations due for Sustainability Champion and Faculty/Student Initiative
• January 2020 – Presented at the Board of Governors’ meeting in Sacramento
Questions