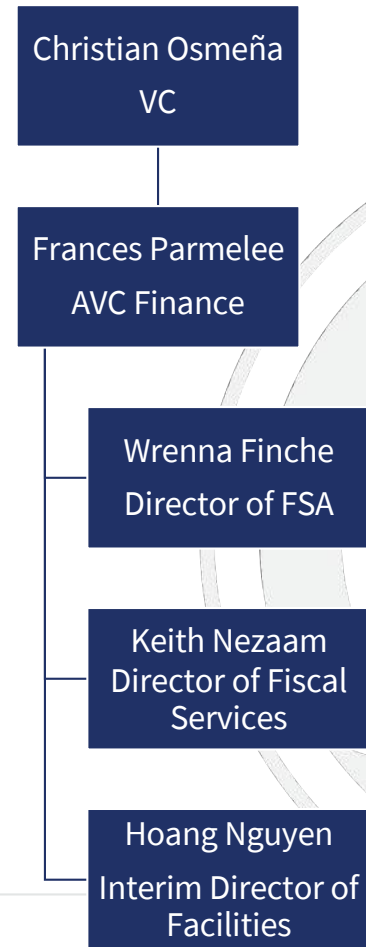


ACBO Fall Conference

# 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.

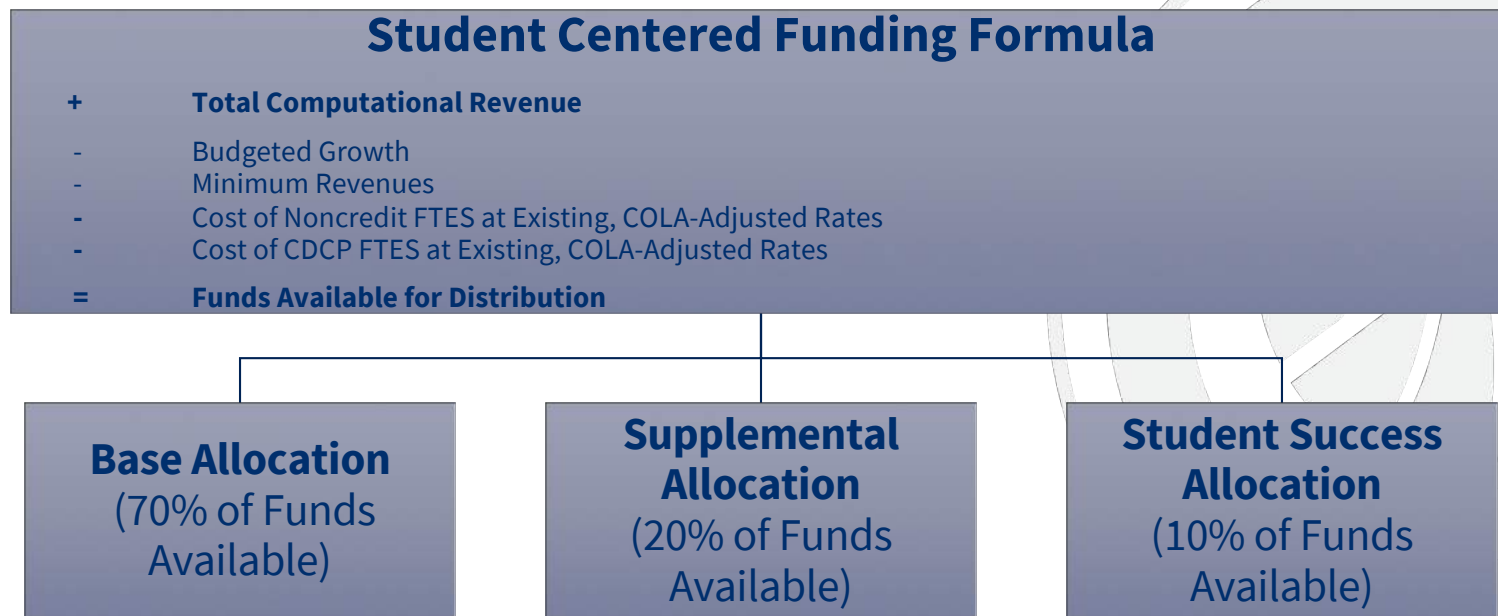
# Changes Made in 2019 Budget Act— Implementation

- *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





# 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**

$$\begin{aligned} &+ \text{ Amount Equal to 20\% of Funds Available (*Starting Point*)} \\ &/ \text{ Total Point Count} \\ &= \text{ New Supplemental Allocation Point Value} \end{aligned}$$

# New Funding Rates

## Student Success Allocation

- + Amount Equal to 10% of Funds Available (*Starting Point*)
- x 75% for Student Success Allocation—Main Component
- / Total Point Count for Main Component
- = New Main Component Point Value
  
- x 25% for Student Success Allocation—Equity Component
- / Total Point Count for Equity Component
- = New Equity Component Point Value

# Key Dates

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

# 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

	(Ending Balance/Expenditures) < 5%	(Ending Balance/Expenditures) 5%-10%	(Ending Balance/Expenditures) > 10%
(Surplus/ Expenditures) > 0%	<b>High Risk</b> FCMAT Review	<b>Moderate Risk</b> Fiscal Health Assessment Questionnaire	<b>Low Risk</b> No Immediate Follow-Up
Small Deficit (Deficit/ Expenditures) between -5% and 0%	<b>High Risk</b> FCMAT Review	<b>Moderate Risk</b> Fiscal Health Assessment Questionnaire	<b>Low Risk</b> No Immediate Follow-Up
Large Deficit (Deficit/ Expenditures) < -5%	<b>Highest Risk</b> FCMAT Review &/or Special Trustee	<b>High Risk</b> FCMAT Review	<b>Moderate Risk</b> Fiscal Health Assessment Questionnaire

# 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 23<sup>rd</sup>.
- Letter of intent to apply from applicants were due by October 4<sup>th</sup>.
- Formal applications were due by October 18<sup>th</sup>.

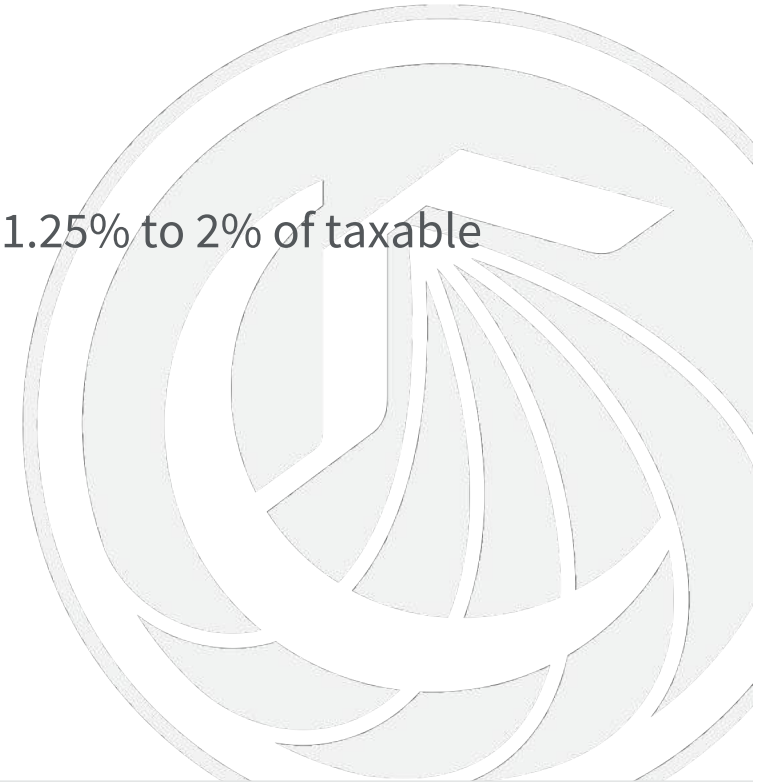
# California Community Colleges Mental Health Services Grant Program

## Status:

- Intent to award memo is scheduled to be released this Friday.
- Final awards will be announced on December 2<sup>nd</sup> 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



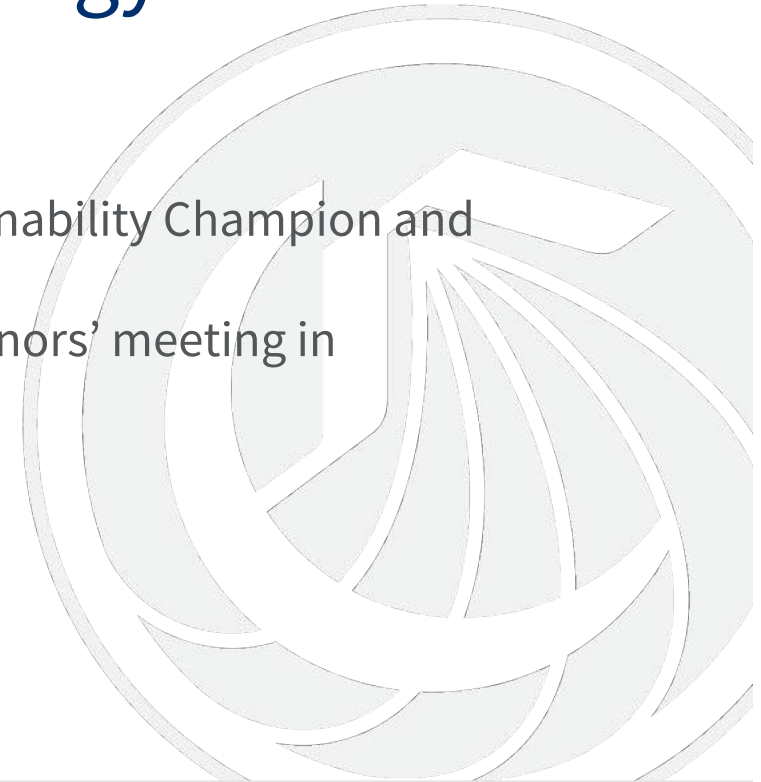
# Proposition 39 Update

- 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

