

AGENDA
Consultation Council
Thursday, May 16, 2019
9:30 a.m. to 12:00 p.m.
Chancellor's Office ~ 6th Floor
Room: 638-640 (6 ABC)
1102 Q Street
Sacramento, CA 95811

The items on this agenda will be discussed at the upcoming Consultation Council Meeting.

- 1.** Chancellor's Office Update
- 2.** Student Senate Update
- 3.** Protocols to Monitor the Fiscal Condition of Community College Districts
- 4.** Development of the 2020-21 Budget and Legislative Request Process
- 5.** Other
 - a.** May Revision Update
 - b.** EOPS Concerns

Future 2019 Meeting Dates:

June 20, 2019
July 18, 2019
August 15, 2019
September 19, 2019
October 17, 2019
November 21, 2019 (CCLC Annual Convention in Riverside, CA)
December – No Meeting



CONSULTATION COUNCIL | Digest

“Digest” means an item has been through internal review by the Chancellor’s Office and the review entities. The item now has form and substance and is officially “entered into Consultation.” The Council reviews the item and provides advice to the Chancellor.

Item: Student Senate Update
Date: May 16, 2019
Contact: Iiyshaa Youngblood, President Student Senate California Community Colleges
Michelle Hua, Vice President of System Affairs

ISSUE

The Student Senate for California Community Colleges will provide the Consultation Council members with an update on the Student Senate for California Community Colleges’ (SSCCC) current initiatives, legislative stances, and system participation as well as the current status of the board.

BACKGROUND

The SSSCC will present the council with an update on actions taken by the board since the previous Consultation Council meeting as well as concerns raised by the board and constituents, including, but not limited to, legislation and the state of the SSSCC.

- Student Senate Priorities
 - AB 1504 (Medina), an amendment to Ed Code to implement the 2SRF as an opt fee on all CCC campuses
 - SSSCC Strategic Plan: One, three, and five year plan for growth and sustainability
 - Pursuit of Ed Code changes to stabilize funding for SSSCC
 - Exploring SSSCC structural changes: Executive, Board of Directors, and Regional
- Legislative and Advocacy
 - Co-Sponsor AB 302 (Homeless Student Parking), AB 381 (Title IX training), SB 150 (Better administration of the Chaffee Grant), AB 1504 (2SRF as opt out on all CCC campuses)
 - Joint advocacy efforts with UCSA and CSSA on basic needs, total cost of attendance, summer Cal Grant, and expanding access to the Cal Grant (support for multiple bills aligning with these priorities)
 - SB 291 (Leyva) was one of the focuses of State Capitol Advocacy Day (May 2)
- Recent Events
 - SSSCC Town Halls (April)

- Press Conference/State Committee Hearing on AB 302 (April 2nd)
- Spring General Assembly was cancelled

FEEDBACK/QUESTIONS FOR COUNCIL

This item is presented for informational purposes.



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Item: Protocols to Monitor the Fiscal Condition of Community College Districts

Date: May 16, 2019

Contact: Christian Osmeña, Vice Chancellor

ISSUE

This item presents an update on protocols the Chancellor’s Office is using to monitor the fiscal condition of community college districts and assign intervention as warranted.

BACKGROUND

Existing law requires the Board of Governors (Board) to adopt criteria and standards for the periodic assessment of the fiscal condition of community college districts. The Chancellor’s Office has established standards for sound fiscal management and a process to monitor and evaluate the financial condition of community college districts.

In monitoring the fiscal condition of community college districts, the Chancellor’s Office’s goal is to prevent cases where it would be necessary to appoint a special trustee or seek an emergency appropriation. This process is also intended to target the limited resources available for intervention, including Chancellor’s Office staff, Institutional Effectiveness Partnership Initiative (IEPI) funds, and Fiscal Crisis and Management Assistance Team funds. Specifically, the Fiscal Standards and Accountability Unit, within the College Finance and Facilities Planning Division, functions as the lead staff in the Chancellor’s Office responsible for this work. The annual budget appropriates \$27.5 million for IEPI and \$570,000 for reimbursements to FCMAT.

The Chancellor’s Office’s analyses generally use existing data (e.g., budget and financial reports and audit data). Following the analyses, the Chancellor’s Office would provide professional development, technical assistance, and direct intervention to support

improvement. An analysis of statewide trends would also inform systemwide training and support, requests for additional resources, and policy development.

As currently contemplated, the system's prospective monitoring would consist of two primary components as follows.

Analysis of Budget and Financial Reports

The Chancellor's Office will analyze the financial data submitted by districts in annual budget and financial reports. Again, the intent of this analysis is to identify districts that may need an emergency apportionment within three years absent corrective action. In general, this analysis will be presented to the Board each year in January.

The analysis uses two measures to understand a district's fiscal condition:

- The "ending balance ratio," which is the district's unrestricted General Fund ending balance, divided by the district's General Fund expenditures in that year.
- The "surplus ratio," which is the district's General Fund revenues less the General Fund expenditures, with that difference divided by the General Fund expenditures.

Table 1 below describes general categories of activities that would follow from this analysis. For districts for which immediate action is required and for those considered high risk, the Chancellor's Office intends to seek additional information from the district and likely would enter into an agreement with FCMAT to conduct a review of the district. Following FCMAT's review, the Chancellor could also direct that the district implement any findings from the FCMAT report. These activities will be the priority for the Chancellor's work with FCMAT from January through June of each year.

Analysis of Financial and Compliance Audits

The Chancellor's Office will also analyze districts' annual financial and compliance audit opinions. The intent of this analysis is to identify districts that may not be in adherence with the principles of sound fiscal management described above. In general, this analysis will be presented to the Board each year in July. At this meeting, we will present plans for the analysis of 2017-18 data.

Again, for districts considered high risk, the Chancellor's Office intends to seek additional information from the district and likely enter into an agreement with FCMAT to conduct a

review of the district. These activities will be the priority for the Chancellor’s work with FCMAT from June through December of each year.

Table 1. Interventions Related to Assessment of Districts’ Financial Health.

Surplus Ratio	Ending Balance Ratio		
	<i>Less than 5%</i>	<i>5% or Greater, Less than 10%</i>	<i>10% and Greater</i>
<i>Positive Ratio</i>	High Risk Consideration of FCMAT Review	No Immediate Action	No Immediate Action
<i>Negative Ratio (Deficit Less than 5%)</i>	Immediate Action Required FCMAT Review and Consideration of Special Trustee	Moderate Risk Request for Fiscal Health Risk Analysis	No Immediate Action
<i>Negative Ratio (Deficit 5% or Greater)</i>	Immediate Action Required FCMAT Review and Consideration of Special Trustee	High Risk Consideration of FCMAT Review	Moderate Risk Request for Fiscal Health Risk Analysis

FEEDBACK/QUESTIONS FOR COUNCIL

The Chancellor’s Office is seeking feedback on these protocols. Specifically, it would be helpful to receive recommendations on approaches to disseminate this information to colleges and districts.



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Item: Development of the 2020-21 Budget and Legislative Request Process

Date: May 16, 2019

Contact: Laura Metune, Vice Chancellor of Governmental Relations
Christian Osmeña, Vice Chancellor of Finance and Facilities Planning

ISSUE

The Chancellor's Office Divisions of Finance and Facilities Planning and Governmental will provide an overview of the process for developing the 2020-21 Budget and Legislative Request.

BACKGROUND

The Finance and Facilities Planning and Governmental Relations Divisions are inviting recommendations for inclusion in the 2020-21 California Community Colleges Systemwide Budget and Legislative Request.

Members of Consultation Council wishing to submit recommendations must use the “2020-2021 Budget and Legislative Request Form” and submit the request by June 21, 2019.

Submitted proposals should advance the [Vision for Success](#).

The Chancellor’s Office will not provide individual responses to submitted requests.

Items selected for potential inclusion in the 2020-21 Systemwide Budget and Legislative Request may require additional background and/or the completion of a [Budget Change Proposal](#).

The Chancellor will make the final determination as to proposals included in the final 2019-20 Systemwide Budget and Legislative Request proposed to the Board of Governors.

For reference, the 2019-20 Request is available at

https://extranet.cccco.edu/Portals/1/ExecutiveOffice/Board/2018_agendas/September/2.5-Attachment-2019-20-Budget-Legislative-Request.pdf.

Hilary Thomson and Imran Majid are available to answer questions or discuss the timeline and process. Please contact them at hthomson@cccco.edu and imajid@cccco.edu for further information.

2020-21 Budget and Legislative Request Development Timeline

Date	Topic	Description
May 16	Consultation Council	Present timeline, process and forms to Consultation Council to submit items for consideration
May 17	CEO Listserv	Present timeline, process and forms for CEOs to submit items for consideration
June 21	Deadline for Submissions	Deadline for submission of Request Form to Finance and Governmental Relations
July 15	Board of Governors	Present overview of process to Board of Governors
August 15	Consultation Council	Special Meeting of Consultation Council to Present 2020-21 Budget and Legislative Request
September 16/17	Board of Governors	Present 2020-21 Budget and Legislative Request for Board approval
September 20	Department of Finance	Transmittal to the Department of Finance
January 10	Governor	Release of Governor's Budget
February 15	Legislative Deadline	Deadline to Introduce 2020 Legislation

FEEDBACK/QUESTIONS FOR COUNCIL

Members of Consultation Council should use the attached “2020-21 Budget and Legislative Request Form” to submit items for consideration.

California Community Colleges Chancellor's Office 2020-21 Budget and Legislative Request Form

The Finance and Facilities Planning and Governmental Relations Divisions are seeking input into the development of the 2020-21 California Community Colleges Budget and Legislative Request. To submit a budget or statutory request, please upload this completed form at [Dropbox](#) by June 21, 2019. For consideration, proposals should advance the [Vision for Success](#). The Chancellor will make the final determination regarding items included in the proposed 2020-21 Budget and Legislative Request. While submissions will not receive individual responses from the Chancellor's Office, items selected for potential inclusion will likely require completion of a [Budget Change Proposal](#) and/or submission of additional background information.

Please contact or imajid@cccco.edu or hthomson@cccco.edu with any questions or comments.

1. Proposal summary and alignment to Vision for Success:

Provide a brief description of the proposal and a summary of how it aligns to the Vision for Success. Specifically, please indicate which goals in the Vision for Success this proposal advances.

2. Description of the problem:

Provide a description of the problem and identify existing statutory requirements. For funding proposals, describe the current funding and challenges. What is currently being done to address this problem and why are those efforts unsuccessful or insufficient? Why does this problem need to be solved now?

3. Background of the problem:

Describe the history of the problem. What actions have gotten the problem to where it is today? Please provide a timeline of any legislative actions that may address any part of the problem.

4. Describe how the proposed solution addresses the problem:

Describe how this budget or policy proposal would improve existing practice. What would this proposal do? Who is served by this proposal? Why is this solution the best way to address this problem? How does it further the Vision for Success? What evidence supports this proposal? Are there examples from colleges or agencies or in other states where this approach has been successful?

5. Analyze all feasible alternatives:

Provide all possible solutions to this problem, and describe the benefits and downsides of each alternative. What would happen if no legislative or budget change is enacted?

6. Strongest arguments in support of proposed solution:

Using research and data to support the proposal provide a justification of the proposed solution. Are there other organizations likely to support this proposal? If so, who and why?

7. Fiscal analysis and justification:

Provide a detailed cost summary of the proposal. Is each cost component of the proposal essential? Is this a one-time or ongoing cost? Are there cost benefits or savings associated with the proposal?

8. Describe previous state or federal legislation, policy or fiscal efforts, or hearings on the subject:

Have there been any previous efforts such as BCPs, legislative bills, oversight hearings? Please provide as much detail on previous efforts including links to informational hearings, bill numbers, or copies of prior BCPs, etc.

9. Additional Information:

Will there be opposition or concerns? If so, what and from whom? Are there other stakeholders that will be affected by this proposal or budget action? If so, who and what is their likely position? Please attach any additional relevant background.

10. Contact Information:

Proposal Primary Contact: *Click or tap here to enter text.*

Division/Organization/College: *Click or tap here to enter text.*

Email Address: *Click or tap here to enter text.*

Phone Number: *Click or tap here to enter text.*

11. Approval for Submission:

To be considered for inclusion in the 2020-21 Budget and Legislative Request the proposal must be approved by one of the following, as appropriate: Chancellor's Office Division Executive Vice Chancellor, Vice Chancellor or Chief Counsel, Consultation Council representative, or district/college Chief Executive Officer or General Counsel.

Approved By: *Signature Here*

Title: *Title Here*

Upload this completed form at [Dropbox](#) by June 21, 2019.

Please contact or imajid@cccco.edu or hthomson@cccco.edu with any questions or comments.

URL Links

Dropbox (<https://tinyurl.com/yy4v9k97>)