

PLEASE STAND BY FOR THE CERRITOS COLLEGE BOARD OF TRUSTEES MEETING OF JULY 18, 2018.

>> CAN'T HAVE TOO MUCH FUN IN ONE MONTH. INVOCATION IS WHAT WE'LL START WITH TONIGHT AND BEGIN WITH A MOMENT OF SILENCE. NEXT WE WILL HAVE THE PLEDGE OF ALLEGIANCE DONE BY MYSELF. I PLEDGE ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA, AND TO THE REPUBLIC, FOR WHICH IT STANDS, ONE NATION, UNDER GOD, INDIVISIBLE, WITH LIBERTY AND JUSTICE FOR ALL.

>> THANK YOU. ROLL CALL, PLEASE.

[ROLL CALL]

>> IS THERE ANY MEMBER OF THE BOARD WISHING TO REORGANIZE THE AGENDA IN ANY WAY? SEEING NONE, WE'LL GO TO COMMENTS FROM THE AUDIENCE AND THERE ARE NO CARDS THAT HAVE BEEN GIVEN AND AS SUCH WE WILL GO TO THE COMMENTS AND REPORTS FROM CONSTITUENTS GROUPS. IS THERE A CONSTITUENT GROUP WISHING TO GIVE A REPORT?

>> HELLO. FIRST BEFORE I GIVE MY REPORT, I JUST WANT TO SAY, I LOVE COMMUNITY EDUCATION AND THE POOL. IF YOU HAVEN'T BEEN, YOU SHOULD GO. I SPENT TWO WEEKS THERE WITH MY NIECES AND NEPHEW AND THEY CAN ALL SWIM AND WE ARE HAPPY AND TAN. NO, I DIDN'T GO TODAY OUT OF RESPECT FOR THE BOARD. I KNOW, I KNOW. ALRIGHT. SO, I JUST HAVE ONE MAIN THING AND I SENT THIS TO BOARD MEMBERS AND THINK ALL OF THEM. AT LEAST MEETING, WHEN WE WERE LOOKING AT THE REPORT THAT WAS GIVING THE ASSUMPTIONS USED TO CREATE THE BUDGET FOR THIS YEAR, THERE WERE A SERIES OF SLIDES THAT WE SAW THAT KIND OF GAVE US LIKE THE HISTORICAL BACKGROUND HOW THE COLLEGE PERFORMED OVERTIME AND THERE WAS A SLIDE ON PAGE 8 OF THE TENTATIVE BUDGET PRESENTATION TALK ABOUT FULL TIME EQUIVALENT STUDENT. I WAS LOOKING AT THAT WHEN YOU GUYS WERE LOOKING AND FREAKED OUT BECAUSE IT LOOKED LIKE WE HAD BEEN RUNNING A DEFICIT FOR THE LAST 10 YEARS IN TERMS OF HOW MUCH REVENUE WE BROUGHT IN. BUT, RIGHT BEFORE YOU WENT INTO CLOSED SESSION I ASKED MR. LOPEZ ABOUT AND HE SAID THAT WASN'T WHAT HE WAS TRYING TO SAY WITH THE LAST COLUMN. WHAT THAT CHART WAS TRYING TO SAY IS EVERY YEAR THE CAMPUS HAD ANTICIPATED OR PLANNED TO EDUCATE A CERTAIN NUMBER OF FTE'S BUT AT THE END OF THE YEAR SOMETIMES THAT DIDN'T HAPPEN BUT THERE WAS A DEFICIT IN POTENTIAL REVENUE BUT WE DIDN'T RUN A DEFICIT IN THE YEARS SO I ADDED A COLUMN IN YELLOW TO SHOW YOU WE HAVE RUN A SURPLUS EVERY YEAR. EVEN IN THOSE YEARS WHEN WE DONT EDUCATE AS MANY STUDENT AS WE WANT OR PLAN TO OR STUDENT DONE DON'T TAKE AS MANY CLASSES WE RUN A SURPLUS. THERE ARE A FEW REASONS. ONE IS WE ARE PRETTY EFFICIENT AS A CAMPUS SO WHEN WE RUN A CLASS IT IS PRETTY

PACKED. ALSO, WE ONLY HIRE AS MANY INSTRUCTORS AS WE NEED SO THE WORKFORCE WAXES AND WANES ACCORDING TO DEMAND SO EVEN IF

1

WE LOOK AT THE STUDENTS OR TAKING FEWER CLASSES WE RUN A SURPLUS. THAT IS IMPORTANT TO THINK WHEN YOU ARE MAKING THE BUDGET BECAUSE YOU LOOK TO GO INTO A YEAR FOR FTE'S WILL PROBABLY GO DOWN AND THE POPULATION WE WILL EDUCATE THAT SEGMENT OF THE POPULATION IS REDUCING, BUT WE BELIEVE WE ARE STILL GOING TO BE FINE BECAUSE WE DO A GOOD JOB HERE AND THAT WE SHOULD CONTINUE TO-DO A GOOD JOB INVESTING IN A QUALITY INSTITUTION THAT INCLUDES QUALITY PEOPLE SO PAYING WAGES THAT ARE COMPETITIVE THAT WE FIX THE INEQUITIES BETWEEN FULL AND PART TIME EMPLOYEES AND FIX BETWEEN FULL TIME AND ADULT HOURLY STAFF BECAUSE THIS IS OUR PATCH OF PARADISE. HERE YOU ARE ABLE TO ENACT THE KIND OF WORLD YOU WOULD WANT TO LIVE IN AND THE WORLD IT LOOKS LIKE WE WANT TO LIVE IN IS ONE WHERE PEOPLE ARE PAID FAIRLY FOR WHAT THEY DO, WE SUPPORT THE COMMUNITY AND ACT LIKE A RESPONSIBLE EMPLOYER. THE FINANCIAL OUTLOOK FOR THE STATE NEXT YEAR IS GOOD. WE KNOW WE WILL GET 2.71 COLA NEXT YEAR AND 7 MILLION MORE NEXT YEAR THEN THIS YEAR AND WE WILL DO GREAT THINGS BECAUSE THE PRIORITIES ARE IN THE RIGHT PLACE BUT I WANTED TO MAKE SURE NO ONE THOUGHT IN THE LAST 10 YEARS WE RAN A BUDGET DEFICIT WHEN WE HAVEN'T BECAUSE THE PLACE HAS RUN REALLY WELL AND GOTTEN SURPLUS EVERY YEAR.

>> THANK YOU. SEEING NO OTHER COMMENTS TO CONSTITUENT GROUPS WE OPEN THE PUBLIC HEARING FOR THE PRESENTATION OF THE COLLEGE AND CAREER ACCESS PATHWAYS PARTNERSHIP AGREEMENT ALSO KNOW AS C CAP WITH BELLFLOWER UNIFIED SCHOOL DISTRICTS. ARE THERE ANY PUBLIC COMMENTS IN FAVOR OF THIS AGREEMENT? ARE THERE ANY COMMENTS IN OPPOSITION TO THIS AGREEMENT? SEEING NONE, I'LL CLOSE THE PUBLIC HEARING. NEXT, IS THE INSTITUTIONAL PRESENTATION OF THE BUDGET UPDATE BY OUR VERY OWN FELIPE LOPEZ.

>> SO, BY NOW I'M SURE YOU PROBABLY GETTING TIRED TO HEAR ABOUT BUDGETS SO WE HAVE BEEN TALKING ABOUT THE BUDGET AND THE NEW FORMULA FOR MONTHS NOW, BUT WE ARE GETTING TO A OPPONENT IN WHICH WE HAVE BEEN ABLE TO GET PRETTY CLOSE PROJECTIONS WHERE WE WILL BE. SO, LAST NIGHT PROJECTIONS FROM THE STATE WERE FINALLY RELEASED. THE PROJECTIONS ARE USING LAST YEARS FIGURES SO THEY ARE NOT COMPLETELY ACCURATE, BUT THEY ARE CLOSE ENOUGH. HOWEVER, FELIPE HAS BEEN WORKING ON A FORMULA OR PROJECTION BASED ON OUR CURRENT NUMBERS AND EVEN BEFORE THE ACTUAL DETAILS OF THE FORMULA ON THE STATE CAME OUT AND HE HAPPENED TO ACTUALLY BE PRETTY CORRECT, LIKE 99.9 PERCENT, SO IT WAS REALLY GOOD WORK HE HAD BEEN DOING TO MAKE THIS CALCULATIONS SO FELIPES NUMBERS HAVE CURRENT NUMBERS WHICH HAVE ALL SAY MAYBE A LITTLE MORE CLOSE TO WHAT WE ARE GOING TO RECEIVE COME THE BUDGET ALLOCATION AND WHAT IS PRESENTED ON THE DAY BECAUSE STATE DO NOT HAVE THE CURRENT NUMBERS JUST

YET. WE DO. WHAT YOU WILL SEE TODAY, IT IS PRESENTATION, A SUMMARY OF WHERE WE ARE TODAY, HOW WE WILL CLOSE THE YEAR AND HOW WE WILL BEGIN THE NEXT YEAR. FELIPE WILL GIVE DETAILS AS TO WHAT IS THE BUDGET WILL LOOK WHEN WE DO OUR CLOSING OF THE

2

YEAR. AS YOU REMEMBER WE WERE PROJECTING \$3.6 MILLION DEFICIT, WHICH THAT CONTINUES TO BE SOMEWHAT AROUND THE NUMBER WHERE WE WILL END UP AND YES, THERE ARE SAVINGS BUT REMEMBER THERE ARE EXPENSES THAT WE INCUR SO WE ARE GOING TO PRESENT A LITTLE OF THAT. THE OTHER PART, THAT IS IMPORTANT TO REMEMBER BECAUSE OF THE SERB WE WILL HAVE THIS YEAR, THERE IS COMING UP, SOME SAVINGS AND SOME POSITIONS THAT ARE BEING FILLED AND CLASSIFIED, AND MANAGERS AND FACULTY, BUT MOST OF THOSE POSITIONS ARE GOING TO BE FILLED COME THE END OF NEXT YEAR, SO IT IS IMPORTANT TO REMEMBER THAT THERE IS NOT A GAP THAT WE CAN CONTINUE TO MAINTAIN OPEN IN SUBSEQUENT YEARS. WHAT WE HOPE YOU SEE IS AN UNDERSTANDING OF HOW THE NEW FORMULA IS GOING TO EFFECT THE BUDGET ALLOCATION FROM NOW ON. WE WILL EXPLAIN THE DETAILS OF EACH PIECE OF THE FORMULA AND HOW THEY WILL CHANGE OVERTIME BECAUSE REMEMBER THE FORMULA WILL CHANGE EVERY YEAR FOR THE NEXT THREE UNTIL IT SETTLES TO 60-20-20 BUT EVERY YEAR WILL BE A CHANGE THAT IT COULD IMPACT POSITIVELY OR NEGATIVITY DEPENDING WHAT WE DO INTERNALLY. THAT LEADS TO THE NEXT POINT IS WE NEED TO MAKE SURE THE INITIATIVES THAT WE CARRY ON THE CAMPUS ALIGN WITH OUR BUDGET, BECAUSE 40 PERCENT OF THE BUDGET IS NOT DEPENDENT ON ENROLLMENT SO WE NEED TO MAKE SURE OUR ACTIONS REFLECT WHERE WE ARE GOING BASED ON FUNDING. SO, I DON'T TAKE TOO MUCH TIME NOW AND LET FELIPE GOING OVER THE DETAILS AND THEN WE'LL HAVE A FEW MINUTES FOR QUESTIONS OR ANSWERS AND EITHER OF US WILL BE HAPPY TO ANSWER YOUR QUESTIONS.

>> THANK YOU, DR., FIERRO. SO, TODAY OUR GOAL IS TO PROVIDE A STATUS OF WHERE WE ARE AT ON THE 17-18 BUDGET OR ACTUAL FISCAL YEAR. WE ARE CURRENTLY IN YEAR IN CLOSING PROCESS. OFFICIALLY WE WILL PROBABLY WILL CLOSE THE BOOKS, THE COUNTY WILL PROBABLY CUT US PROBABLY NO LATER THEN THE SECOND WEEK OF AUGUST IS TYPICALLY WHERE WE ARE PROJECTING TO CLOSE. WE STILL HAVE ABOUT ANOTHER COUPLE WEEKS OF FINE-TUNING, ANALYZING AS JUNE RELATED BILLS COME IN AND SO THERE IS A LOT OF MOVING PARTS WITH THIS YEAR'S YEAR END CLOSE BECAUSE WE ALSO HAD THE SERP DOING THAT AND THEN ONCE THOSE INDIVIDUALS LEFT THAT HAD VACATION BALANCES ON THE BOOKS, WE HAD TO FIGURE OUT ALL OF THE CASH PAY-OUTS REGARDING VACATION BALANCES SO OUR OFFICE IS QUICKLY TRYING TO GET THROUGH THOSE AS QUICKLY AS POSSIBLE SO WE CAN CLOSE AND HAVE A CONFORMATION ON WHERE WE END AND WHEN WE PRESENT THE ADOPTED BUDGET IN SEPTEMBER WE'LL KNOW CERTAINLY WHERE WE ARE AT, BUT AT LEAST WE HAVE A GOOD SENSE AS OF TODAY KIND OF WHERE WE WHERE AT. AND THEN I'LL GO INTO THE 18-19 BUDGET. WE JUST ADOPTED THE TENTATIVE

BUDGET IN JUNE. NOW THAT WE HAVE A SIGNED BUDGET, WE HAVE A SIGNED TRAILER BILL FOR THE FUNDING FORMULA, AND THEN AS DR. FIERRO SAID, WE JUST GOT THE SIMULATION, BUT IN THE BACKGROUND WE ALREADY CREATED OUR OWN SIMULATION BASED ON THE TRAILER BILL, AND BASICALLY HIT IT PRETTY RIGHT ON. OBVIOUSLY THE STATE USED DIFFERENT ASSUMPTIONS THEN WHAT WE DID. THOSE

3

ASSUMPTIONS WERE UTILIZING TWO YEAR DATA, WE ARE UTILIZING PRIOR YEAR DATA IS WHAT IT SPELLS OUT IN THE TRAILER BILL. THE CHANCELLORS OFFICE JUST DIDN'T HAVE THE CURRENT YEAR DATA TO PUT INTO THE SIMULATION, BUT THE OVER MAKE-UP OF THE FORMULA OF WHAT WE CREATED MIRRORED WHAT WAS PRESENTED WITH THE STATE SO WE FEEL VERY CONFIDENT IN THE NUMBERS WE ARE ABOUT TO PRESENT. JUST REALLY QUICK, WE'LL GO THROUGH THE ADOPTED BUDGET FOR \$17-18. WE HAD A FUND BALANCE ORPH28.7 MILLION. WE BUDGET FTS16.800. ADOPTED WITH A BUDGET DEFICIT OF 3.8. WE HAD 9 VACANT POSITIONS IN THE BUDGET AND THEN WE HAD SOME INCREASES IN SALARY AND BENEFITS ASSUMPTIONS AND THEY ARE LISTED HERE. WE HAD A 2.5 PERCENT INCREASE IN SALARIES WHICH HAD BEEN A \$2 MILLION IMPACT TO THE BUDGET. STEP AND COLUMN INCREASES WHICH HAD ABOUT \$860 THOUSAND IMPACT AND THE THEN THE PENSION INCREASES AS WELL AND YOU CAN SEE THE IMPACTS TO THOSE RIGHT THERE. SO, THAT'S WHAT WE ADOPTED. CURRENTLY, HERE IS KIND OF WHERE WE ARE AT. SO, AGAIN, WE ADOPTED A BUDGET WITH FTS OF \$16.800. AT P1, WE REPORTED FTS AT \$16.813. P1 IS AN ESTIMATE, SO AT P1 YOU KNOW YOUR FTS FROM JULY 1 THROUGH DECEMBER 31 AND THEN YOU HAVE TO PROJECT, YOU USE A ANALYZER TO PROJECT THE EXISTING FTS. WE THOUGHT BASED ON THE NUMBERS WE REPORTED \$16.813. AT P2 WE HAD MORE DATA AVAILABLE, BUT AS YOU CAN SEE WE ONLY REPORTED \$16.555. AND THEN AT ANNUAL, WHICH WE JUST CERTIFIED THIS WEEK WE REPORTED \$16.799. PRETTY MUCH AS CLOSE AS HITTING THE TARGET OF WHAT WE BUDGETED FOR. BASICALLY ONE FTS OFF WHAT WE BUDGETED SO WE ARE PRETTY EXCITED ABOUT THAT. JUST LOOKING AT THE-WE ENDED UP HAVING A PRETTY ROBUST SUMMER WHICH BENEFITED US AT THE END. OR SPRING ENDED UP COMING IN A LITTLE LIGHTER THAN ANTICIPATED, BUT WE MADE UP THE DIFFERENCE IN OUR SUMMER AND SO OUR SUMMER GOT US TO THE \$16.799 AND SO THAT'S WHAT WE CERTIFIED EARLIER THIS WEEK. AND, WE ENDED THE YEAR WITH A TOTAL VACANCY OF 19 POSITIONS. THAT HAD A TOTAL COST SAVINGS IN THE BUDGET OF \$1.2 MILLION. RIGHT NOW AS OF YESTERDAY, WE ARE PROJECTING THE BUDGET DEFICIT TO BE SOMEWHERE IN THE NEIGHBORHOOD OF ABOUT 3.5 TO ABOUT \$4 MILLION. AND SO SOME OF THE REASONS WHY THAT IS, AS YOU NOTICE ABOVE THE LAST SLIDE, WE BEGAN WITH A \$3.8 MILLION DEFICIT. HOWEVER, WE ORIGINALLY BUILT IN \$1.2 MILLION OF COST SAVINGS SO THAT DROVE DOWN THE OVERALL DEFICIT TO APPROXIMATELY 2.6. BUT WHEN WE ACTUALLY WENT FORWARD ON THE SERP, WE INCURRED ABOUT \$1.1 MILLION IN SERP PAYMENT FOR THE FIRST YEAR BECAUSE YOU MAKE \$5 ANNUAL

PAYMENTS SO WASN'T INCORPORATED IN THE BUDGET SO WE WENT THROUGH THAT PROCESS AFTER ADOPTING THE BUDGET. WE ALSO INCURRED A EXTRA400 THOUSAND IN VACATION PAYOUTS WE HAD TO DO AT JUNE 30 BECAUSE OF THE SERP AND SO IT BASICALLY-ALL THE COST SAVINGS THAT WE INCORPORATE WOULD A VACANCY WERE WIPED OUT WITH THE PAYMENT OF THE SERP FOR YEAR ONE PLUS WE HAD ADDITIONAL EXPENSES RELATE TO THE SERP AND REGARDING THE VACATION PAYOUTS WE HAD TO DO. ALL AND ALL WE THINK WE WILL

4

BE IN THAT NEIGHBORHOOD. AGAIN, WE ARE STILL FINE-TUNING. AT THIS POINT WHEN WE RAN THE NUMBERS WE HAD ABOUT \$105 MILLION OF EXPENSE BUDGETED FOR. WE HAD SPENT 99.9 PERCENT OF THAT SO WE HAD ABOUT 105 ALREADY EXPENSED ON THE BOOKS SO WE KNOW THE EXPENSE NUMBER IS PRETTY ACCURATE. WE ARE STILL FINE-TUNING THE REVENUE AND THE REVENUE IN COMPARISON WHAT WE BUDGETED FOR IS ONLY OFF ABOUT \$200 THOUSAND RANGE. WE ARE STILL MAKING SURE WE CAPTURE EVERYTHING WE CAN BUT WE ARE PRETTY MUCH RIGHT IN LINE WHAT WE ORIGINALLY WOULD BE AT WHAT WE BUDGETED FOR GIVEN THE ADDED COST. WE HOPED THE DEFICIT WOULD BE LOWER BUT BECAUSE OF THE SERP PAYMENT THAT PRETTY MUCH WIPED OUT ANY COST SAVINGS THAT WE INCORPORATED WITH THE VACANCIES. SO, MOVING INTO THE NEW BUDGET YEAR, 18-19. JUNE 27, BROWN SIGNED THE BUDGET BILL. SOME MAJOR KEYS IN THERE OBVIOUSLY WAS THE FUNDING FORMULA. THIS IS WHAT WE HAVE BEEN WAITING TO SEE. THERE ARE DRAMATIC CHANGES BETWEEN THE ORIGINAL BUDGET PROPOSAL THAT WAS PUBLISHED IN JANUARY OF THIS YEAR, AND THEN WAS CHANGED DRAMATICALLY AT THE MAY REVISE AND THEN WAS TWEAKED AND FINE-TUNED NOW AND THIS IS WHAT I'M GOING TO PRESENT. SO, THE NEW FUNDING FORMULA CREATES-IS GOING TO BE PHASED IN OVER A THREE YEAR PERIOD AND I'LL GO INTO A LITTLE DETAIL OF HOW THAT WILL WORK. AND THE COMPONENTS OF ARE IN THREE DIFFERENT CATEGORIES. BASE ALLOCATION, SUPPLEMENTAL ALLOCATION AND STUDENT SUCCESS INCENTIVE ALLOCATION. HISTORICALLY OR TRADITIONALLY THE FORMULA WAS BASED ON NUMBER 1, STRICTLY 100 PERCENT FTS, PRETTY STRAIGHT FORWARD CALCULATION, NOW IT THROWS IN A BUNCH OF DIFFERENT ELEMENTS AND COMPLICATES THE CALCULATION AND IS GOING TO REQUIRE A TREMENDOUS AMOUNT OF DATA TO BE COLLECTED TO INSURE WHAT OUR-TO BE ABLE TO BUDGET AND FORECAST WHAT THE FORMULA IS SO BASICALLY COMPLICATED THE PROCESS A LITTLE BIT MORE. SO, THE BASE ALLOCATION REPRESENTS CURRENTLY IN YEAR 1, 70 PERCENT OF THE STATE APPORTIONMENT WE'LL GET. AND IT IS CALCULATED ON CREDIT FTS AND FOR CERRITOS THAT DOLLAR AMOUNT IS \$3.727 PER CREDIT FTS. HOWEVER, FTS NOW IS CALCULATED UTILIZING A THREE YEAR ROLLING AVERAGE, AND SO IT IS NOT NOW BASED ON YOUR CURRENT YEAR, IT IS NOW BASED ON A THREE YEAR AVERAGE AND THOSE THREE YEAR AVERAGES OF WHAT YOU USE IS THE CURRENT YEAR YOU ARE IN. FOR EXAMPLE, FOR THE 18-19 BUDGET IT WOULD BE OUR 18-19FTS WHICH WE ARE ESTIMATING TO BE \$16.800, OUR PRIOR YEAR

FTS WHICH IS WHAT WE JUST CAME OUT OF, 17-18 AND THE YEAR PRIOR TO THAT THE FTS WE HAD IN 16-17 WHICH WAS \$16.721.31. WHEN YOU DO A THREE YEAR AVERAGE OF THESE THREE AMOUNTS, THE FTS WE USE NOW IS \$16.773.06 AND SO THAT MOVING AVERAGE MOVES EVERY YEAR AS YOU PROGRESS, AND SO THE INTENT WAS TO STABILIZE FLUCTUATIONS AND PREVENT DISTRICTS SPIKING UP IN LARGE FTS ONE YEAR BY BORROWING AND BEING ABLE TO RECOUP A BUNCH OF MONEY ON THAT. YOU CAN STILL DO THAT, BUT YOU WILL NOT HAVE THE SAME EFFECT, BECAUSE NOW THE INCREASE IS SPREAD OVER A THREE YEAR AVERAGE AND NOT DOLLAR FOR DOLLAR BECAUSE NOW IT ONLY

5

REPRESENTS 70 PERCENT, AND SO THE LIKELIHOOD OF PEOPLE DOING THAT PUSHES PEOPLE ASIDE. THE INTENT WAS GOOD ON THAT SAID. THE SECOND PART OF THE ALLOCATION, THE SUPPLEMENTAL REPRESENTS CURRENTLY 20 OF THE FORMULA AND CALCULATED ON THE NUMBER OF STUDENTS WHO RECEIVE PELL GRANTS, THE NUMBER OF STUDENT WHO RECEIVE PROMISE GRANTS OR THE BOG FEE WAVER AND THOSE THAT ARE EXEMPT FROM NON-RESIDENT TUITION, THE AB540 STUDENTS. THOSE INDIVIDUALS WE GET PAID \$919 PER POINT, SO THEY HAVE ASSIGNED A POINT METRIX TO THE CATEGORY. THEY ASSIGN ONE POINT FOR EVERY STUDENT THAT QUALIFY'S FOR THIS CATEGORY. IF WE HAD 10 THOUSAND ELIGIBLE STUDENT YOU TAKE 10 THOUSAND, MULTIPLIED BY ONE, WHICH IS 10 THOUSAND, MULTIPLIED THAT BY \$919, YOU GET YOUR ALLOCATION FOR THE PELL. YOU DO THAT SAME THING FOR AB540 STUDENT WHAT THAT COUNT IS AND DO THAT FOR YOUR CALIFORNIA PROMISE GRANT AND YOU GET YOUR ALLOCATION.

>> VICE PRESIDENT LOPEZ, IS THAT BASED ON FTS VALUES OR ON A OVERHEAD BASIS?

>> THAT NUMBER FIGURE IS WHAT IS JUST-WHAT WAS GIVEN TO US IN THE TRAILER BILL. SO, THIS IS A DOLLAR AMOUNT THAT HAS BEEN PROVIDED TO US.

>> DO WE CALCULATE PELL GRANT STUDENTS ON A FTS BASIS?

>> NO, HEAD COUNT BASIS.

>> QUESTION, ARE THERE ANY OVER LAP BETWEEN THE STUDENT?

>> THE STUDENT CAN BE IN ALL THREE OF THESE CATEGORIES.

>> [INAUDIBLE COMMENTS]

>> YES, THEY COUNT IN EACH POT.

>> GREAT. SO, JUST SO WE ARE CLEAR, BECAUSE THIS IS A NEW FORMULA SO THE BASE ALLOCATION WE GET BASED JUST ON OUR AVERAGE OF THREE YEARS AND IN ADDITION TO THE BASE WE GET A SUPPLEMENTAL ADDITIONAL 20 PERCENT OF THE THREE CATEGORIES?

>> YES.

>> I LIKE WHAT YOU ARE GOING WITH THAT BECAUSE WHAT THAT MEANS THE NEXT STEP FELIPE WILL PLAIN IS THE COMPLETION PORTION. IT IS VERY IMPORTANT TO KEEP IN MIND THESE VALUES BECAUSE IF A STUDENT IS MORE THAN ONE OF THESE CATEGORIES GRADUATE ON TIME, THEIR FUNDING PER HEAD INCREASES SIGNIFICANTLY. SO, WHEN I SAID EARLIER THAT WE NEED TO ALIGN OUR PRIORITIES TO THIS PIECE OF THE BUDGET IT IS INCREDIBLY IMPORTANT NOW BECAUSE

EACH STUDENT HAS A PARTICULAR VALUE POINT AND IN THE NEXT SLIDE YOU'LL SEE HOW THE VALUE POINT IS CONNECTED TO THE DEGREES AND CERTIFICATE AND TIME TO COMPLETION. THE FASTER THEY COMPLETE AND THE MORE STUDENTS THAT COMPLETE, THE GREATER THIS ALLOCATION BECOMES.

>> CAN YOU GO TO THE NEXT SLIDE SO WE CAN SEE THAT?

>> NOW THE THIRD AND FINAL ALLOCATION IS LITTLE MORE COMPLICATED. HAS A LITTLE BIT MORE AREAS AND LITTLE MORE POINTS SO I'LL DO MY BEST TO DO THIS. THIS SECTION IS ALSO CHANGING OVER THE NEXT 3 YEARS. LET ME BACK UP QUICK. SECTION 2, THE SUPPLEMENTAL ALLOCATION THE 20 PERCENT IS CONSTANT AND NOT CHANGING. THE BASE ALLOCATION WILL CHANGE

6

BECAUSE THE GOAL IS GET THE PERCENTAGE FROM 70 TO 60 PERCENT AND I'LL GO INTO DETAIL ON THAT AT A LATER SLIDE. NOW THIS IS YEAR 1 FOR 18-19. THIS IS THE STUDENT SUCCESS ALLOCATION PART. SO, THIS FORMULA WHICH REPRESENTS 10 PERCENT, IS PAID AT \$440 PER TOTAL POINTS CALCULATED USED IN THE FOLLOWING METRIX. AGAIN TO TRUSTY BIRKEY, THIS IS HEAD COUNT. ANY METRIX OF THESE, IF WE HAVE ANY STUDENT WHO GETS AA, AS, BA OR BS DEGREE FOR THOSE COMMUNITY COLLEGES THAT HAVE BACHELORS DEGREE, YOU GET THREE POINTS PER INDIVIDUAL. SO, IF YOU HAD ONE PERSON THAT QUALIFIED YOU TAKE ONE, MULTIPLY BY THE NUMBER OF POINT TIMES 3 WHICH IS 3 TIMES THAT BY THE PAY VALUE OF \$440 TO GET YOUR ALLOCATION FOR THAT SUBSECTION.

>> FOR EACH GRADUATE HEAD COUNT? E AND YES. WHO GOT A AA, AS, BA OR BS. YOU GET THREE POINTS PER-

>> IS IT YEARS A FACTOR LIKE 6 YEARS COMPLETE, 4 YEARS COMPLETE?

>> NO, IT IS NOT.

>> IT IS BASED ON COMPLETION PERIOD.

>> YES. NOT TIME. THE NEXT CATEGORY IS ANY INDIVIDUAL WHO RECEIVED A ADT DEGREE, THIS INDIVIDUAL GETS ASSIGNED 4 POINTS VALUE. TAKE 4 POINTS MULTIPLY THAT BY THE PAID VALUE OF \$440. THE NEXT CATEGORY, CREDIT CERTIFICATES. ANYBODY WHO GOT A CREDIT CERTIFICATE THEY GET 2 POINT VALUE.

>> SORRY, CAN YOU GO BACK? THE ADT CAN YOU SPELL OUT WHAT THAT ACRONYM IS?

>> SECURITY SYSTEM FOR YOUR HOUSE. [LAUGHTER]

>> WE ARE HAVING A LOT OF LAUGHS TONIGHT, WE NEED MORE JULY MEETINGS.

>> THIS IS A BUDGET MEETING.

>> [INAUDIBLE COMMENTS]

>> I DON'T KNOW IF YOU ARE PICKED UP ON THIS.

>> IT MEANS ASSOCIATE DEGREE FOR TRANSFER IS WHAT A ADT AND BELIEVE THERE ARE TWO TYPES. THERE IS ADT AND ADS.

>> I KNOW WOO ARE TRYING TO COMPLY WITH EVERYTHING BEING ADT IS EVERY DEGREE A ADT BECAUSE WE HAVE AA AND AS BUT ARE ALL DEGREES GOING TO BE ADT?

>> THE IDEA IS HAVE MORE OF OUR STUDENTS TRANSFERRING TO A LOCAL UC, GET ADT BUT DON'T THINK THE TRADITIONAL ASSOCIATE DEGREE AND AA OR AS WILL TOTALLY GO AWAY, BECAUSE THEY STILL COULD TRANSFER TO A UNIVERSITY THAT ARE NOT CSU OR U C. IT IS ALSO VERY IMPORTANT TO NOTICE HERE BECAUSE THE HEAD COUNT AND BECAUSE THE POINTS ARE ALLOCATED PER ACADEMIC ACHIEVEMENT, THE MORE SUCCESSFUL THE STUDENT ARE, THE GREATER THE APPORTIONMENT HERE. IF YOU HAVE A STUDENT THAT ARE COMPLETING CHANCELLORS OFFICE APPROVED PROGRAMS, AND THE WAY OF COMPLETING A ADT WE CAN GET MULTIPLE POINTS PER ONE STUDENT, AND THEN LET'S ASSUME THE STUDENT FITS IN THE PREVIOUS CATEGORY IN ALL THREE SO THE STUDENT BE ALLOCATED THE TRADITIONAL \$1 HUNDRED, THE STUDENT CAN BE ALLOCATED OVER \$10 THOUSAND, BUT THAT IS PREDICATED ON OUR ABILITY OF ORGANIZING OUR PROGRAMS AND STRENGTHENING THE

7

STUDENT SERVICES SO ALL OF OUR STUDENT ARE ABLE TO MOVE THROUGH THE PROGRAM IN THE MOST EFFICIENT WAY. THIS FORMULA REQUIRES US TO MOVE AWAY FROM THE MENTALITY OF OPEN DOOR AND LET EVERYONE IN, TO YES, OPEN THE DOOR AND LET'S FIGURE A WAY TO GRADUATE PEOPLE FASTER THEN WE DID BEFORE. THERE ARE PLUS AND MINUSES ON BOTH SO WE HAVE TO OBVIOUSLY BE CAREFUL AS TO HOW WE ORGANIZE OUR PROGRAMS FOR THE POSSIBILITY OF COMBINING THE TWO CATEGORIES IS A LITTLE MORE CONTROL OVER OUR FUNDING AS LONG AS WE HAVE THE STRUCTURE TO MOVE THE STUDENT THROUGH.

>> SO, I WILL ASK A QUESTION. I THINK THIS IS PROBABLY MORE FOR DOCTOR FIERRO OR MR. MIRANDA, I WAS A COMMUNITY COLLEGE STUDENT AND TRANSFERRED WITH A AA AND COMPLETED EVERYTHING JUST NEVER FILLED OUT THE PAPERWORK, HOW WOULD YOU TRACK THAT BECAUSE I'M SURE SOMEONE PROBABLY THOUGHT I DROPPED OUT?

>> SOME OF THE THINGS WE ARE DOING AND THEY ARE WORKING WELL IS STACKABLE CREDENTIALS. SO, WE HAVE A SERIES OF PROGRAMS AND THINK THE MODEL WAS THAT WAS THE BUSINESS PROGRAM. THEY CREATED THE ASSOCIATE DEGREES BUT WITHIN THE ASSOCIATE DEGREES THEY HAVE GROUPINGS OF COURSES, THEY HAVE A VALUE IN THE WORKFORCE, SO THEY PUT THEM TOGETHER AND WHEN THE STUDENTS COMPLETE THE SERIES OF COURSES THEY RECEIVE A CERTIFICATE AND THE CERTIFICATE ALLOW THEM TO FIND A BETTER JOB OR ADVANCE IN THE COMPANY THEY ARE AND ALLOW THEM TO CONTINUE WITH THEIR ASSOCIATE DEGREE. LET'S SAY THEY DROPPED OUT A YEAR AND A HALF WITHIN THE PROGRAM, CHANCES ARE THEY HAVE A MINIMUM TWO CERTIFICATES THEY HAVE ACHIEVE AND RECEIVED CREDIT FOR AND MOST IMPORTANTLY RECEIVED JOB PROMOTIONS OR PAY INCREASES BASED ON THAT AND BASED ON THE PARTNERSHIPS WITH THE INDUSTRY. WE ARE DOING SOMETHING SIMILAR WITH CULINARY ARTS WHICH IS ALSO A PROGRAM THAT HAS BEEN QUITE PROFICIENT CREATING ENTRY POINTS AND EXIST POINTS THROUGHOUT THE DEGREES SO YOU CAN ACHIEVE MULTIPLE CREDENTIALS BEFORE YOU FINISH YOUR WHOLE DEGREE. THE PROGRAMS ARE BECOMING VERY GOOD IN THIS REGARD. SOME IS MOVING INTO OUR CREDIT PROGRAM AND SOME OF OUR



TRADITIONAL PROGRAMS ARE STARTING TO SEE THE VALUE OF PACKAGING SOME OF THE CREDENTIALS BASED ON POTENTIAL OPENING IN THE WORKFORCE WHICH ALLOWS THE STUDENT TO LEARN MORE AND THE COLLEGE TO COUNT THEIR PROGRESS.

>> MAY I ASK A QUESTION FOR DR. MIRANDA? I WANT TO KNOW, DO YOU HAVE ANY PLAN TO IMPLEMENT SO WE CAN COLLECT ALL IT DATA BECAUSE I KNOW FROM MY STUDENT MANY OF THEM HAVE AA DEGREE, THEY ALSO COMPLETE A CERTIFICATE. SOME COMPLETE TWO.

>> THANK YOU FOR THAT QUESTION.

>> WE WILL CAPTURE ALL THE POINTS.

>> I LIKE TO MAKE SURE ONE. WHAT YOU SEE HERE AS HE MENTIONED, WE HAVE THE ABILITY TO CAPTURE MANY OF THESE CATEGORIES WITH STUDENTS. WE ALSO HAVE AB705, WHICH YOU HAVE ALL BEEN UPDATED ON. THAT BASICALLY THE PUSH TO REMOVE MUCH OF HAD REMEDIATION AND PUT STUDENT DIRECTLY INTO COLLEGE TRANSFER LEVEL AT MATH AND ENGLISH WHICH WILL HELP THE

8

VELOCITY OF COMPLETION. WE ALSO HAVE THE GUIDED PATHWAY THAT HELPS DEFINE. FROM THE STATE LEVEL AND LOCALLY IS TO ALIGN ALL OF OUR SERVICES, ALL THE WAY FROM HOW WE ONBOARD THE STUDENT AND HOW WE TRACK THEM AND HELP THEM COMPLETE AND GRADUATE, SO THAT IS ONE THING THAT IS KEY. WE ALSO STARTED DISCUSSION HOUSE WE AUTO-AWARD. IN MY MIND YOU ARE ASKING FOR A AUTO-AWARD PROCESS. TRADITIONALLY AUTO-AWARDING WAS CHALLENGING IN THE OLD RULES OF FINANCIAL AID, BUT I BELIEVE WITH THE NEW RULES THERE IS NO PENALTY TO THE STUDENT OAF BEGINNING OR END SO WE CAN AUTO-AWARD SO THAT WILL BE COMING THROUGH HOPEFULLY IN THE SEMESTER AND BOARD POLICY SLIGHT CHANGE OR AP TO DO THE AUTO-AWARDING AS WELL. THAT IS KEY, AUTO-AWARDING IS HUGE AND HOPEFULLY AS WE UPDATE PEOPLE SOFT AND NEW PACKAGES THEY HAVE AVAILABLE OR OTHER TOOLS OUT THERE WE CAN HAVE A MORE COMPREHENSIVE DEGREE AUDIT TOOL SO THE STUDENT CAN SEE WHERE THEY ARE AT AND WE CAN CHECK FOR OTHER DEGREES AND STUDENT CAN CHECK AS WELL, BUT AUTO-AWARDING WILL BE KEY.

>> HOW DO WE TRACK-THIS GOES TO TRUSTY AVALOS POINT, HOW DO WE TRACK THE REGIONAL WAGE IN ONE YEAR? THAT ISN'T SELF-EVIDENCE.

>> THE NUMBER DOES NOT COME FROM THE DISTRICT. THAT NUMBER ACTUALLY COMES FROM THE STATE AND THAT HAS BEEN-

>> HOW DO THEY TRACK THAT?

>> THAT'S QUESTION AND FRUSTRATION. I HAVE BEEN TOLD THEY ARE WORKING ON PUBLICIZING THAT NUMBER BUT THAT NUMBER IS GIVEN TO US. WE HAVE NO CONTROL OF WHAT THAT NUMBER-

>> REGIONAL LIVING WAGES BUT HOW DO WE KNOW WHO OUT GETTING THAT A YEAR LATER?

>> THERE ARE A COUPLE WAYS TO DO THAT. ONE IS THE NATIONAL CLEARING HOUSE, HOWEVER IT ISN'T FULLY ACCURATE BECAUSE YOU NEED ALL IT STUDENT INFORMATION TO TRACK THEM THROUGH. OFTEN

TIMES LET'S SAY THE STUDENT FINISH WITH US AND NEXT YEAR THEY MAKE LIVING WAGE BECAUSE THEY TRANSFER RATHER THAN GOING THE WORKFORCE. THE BOARD OF LABOR STATISTICS, THEY ALSO TRACKED STUDENTS AND AVERAGE WAGE AND SO ON, BUT THE DATA AGAIN IS NOT FULLY ACCURATE OR CLEAN BECAUSE IT IS TRADITIONALLY DELAYED. THEY CANNOT COLLECT ACCURATE NUMBERS UNTIL TAXES HAVE BEEN FILED AND ALL REPORTING HAVE BEEN DONE SO YOU PROBABLY WILL SEE A LAGGING INDICATOR THAN A LEADING INDICATOR SO CURIOUS TO SEE HOW THE STATE WILL PRODUCE ACCURATE NUMBERS BECAUSE BEING ABLE TO TRACK WAGES ISN'T AS EASY AS IT SOUND.

>> THE SOCIAL SECURITY SYSTEM IS ANOTHER WAY OF TRACKING WAGE, BUT WE DON'T KNOW WHERE THE NUMBER COMES REALLY DERIVES FROM. THE STATE HASN'T SHARED WHAT DATABASE THEY USE, ALL THEY SHARED IS HERE IS YOUR NUMBER.

>> HOW DOES IT WORK WITH-I'M TRYING TO MAKE SURE IT WORKS WITH PEOPLE WHO MAY BE DACA STUDENT OR UNDOCUMENTED

>> THAT IS SOMETHING HANDLED BY THE STATE AND WE DONT CONTROL THAT NUMBER.

9

>> WITH THAT YOU MAY BE ABLE TO TRACK UNDOCUMENTED.

>> PROBLEMATIC.

>> THERE IS A LOT THROUGH GAINFUL EMPLOYMENT [INAUDIBLE COMMENTS]

>> SEEMS IT IS COMPLICATED TO GET COMPLETE DATA.

>> THERE COULD BE A HALF DOZEN DIFFERENT DATABASES THEY ARE UTILIZING, WE JUST DON'T KNOW WHICH THEY ARE USING TO COME UP WITH THE FIGURE. THAT CATEGORY IS THE ONLY UNKNOWN, THE OTHER CATEGORIES WE DO HAVE THIS IS OUR DATA, THIS IS OUR MIS DATA WE ARE REQUIRED TO SUBMIT ANNUALLY SO WE WILL BE ABLE TO HAVE THIS DATA SO WE HAVE ALREADY BEEN MEETING WITH OUR INSTITUTIONAL RESEARCH, ALSO WORKING WITH IT TO DEVELOP PROCESSES, REPORTS THAT WE WILL KIND OF KNOW THAT HEY, THIS IS INFORMATION WE WILL NEED PRETTY QUICKLY SO WE ARE ALREADY WORKING THROUGH THOSE STAGES RIGHT NOW. OBVIOUSLY IT IS PRETTY-EACH VALUE IS ASSIGNED A POINT. YOU MULTIPLY THAT POINT BY THE NUMBER OF HEAD COUNT TIMES THE ACTUAL VALUE WHICH IS IN THIS CASE \$440. TO COMPLICATE THE PROCESS A LITTLE MORE THERE IS A EQUITY COMPONENT, THE VERY LAST LINE. YOU TAKE THIS SAME CATEGORY AND THEY ALSO KNOW GIVE YOU AN ADDITIONAL \$111 FOR ANY STUDENT WHO ALSO RECEIVED THE CALIFORNIA PROMISE GRANT. NOW I DON'T YOU GET A LITTLE MORE, YOU GET ANOTHER POINT ON THAT, AND THEN ALSO, PLUS YOU ALSO GET THE SAME POINT MULTIPLIED BY 1 AND A HALF TIMES FOR ANYBODY WHO RECEIVED A PELL GRANT. THIS INDIVIDUAL YOU COULD POTENTIALLY HAVE A INDIVIDUAL WHO IS A PELL RECIPIENT, A BOG FEE RECIPIENT, RECEIVED A ADT WITH A 4 POINT VALUE, AND THEN YOU GET ANOTHER 4 POINT VALUE IF HE IS A BOG FEE WAVER, AND THEN HE IS A PELL YOU GET ANOTHER 4 POINT VALUE MULTIPLIED BY 1 AND A HALF TIMES SO REALLY THAT STUDENT COULD GET PICKED UP THREE DIFFERENT

TIMES IN JUST THIS CATEGORY.

>> THAT ALL MOST PAYS FOR THE INSTITUTIONAL RESEARCH TO FIGURE OUT ALL OF THIS FOR THE INDIVIDUAL STUDENT.

>> THE BOTTOM LINE IS SECTIONS 2 AND 3 OF THE FUNDING FORMULA REALLY DONT HAVE A CAP. YOU ARE FUNDED BASED ON YOUR NUMBERS.

>> THAT'S ONE THING I WAS GOING TO ASK ABOUT VICE PRESIDENT LOPEZ, BECAUSE THE THREE CATEGORIES ARE REPRESENTED AS 70, 20 AND 10

>> YES.

>> BUT WITHOUT A CAP ON THE 20 AND 10, IT SEEMS KIND OF SEMANTICS AT BEST

>> STUDENT SAY THAT IS 20 OR 10 PERCENT OF THE REVENUE SOURCING. THE 70 IS BASE COMPARED TO PREVIOUS YEARS?

>> THAT IS TRUE BECAUSE THAT WAS THE QUESTION WE HAD. IF THERE IS REALLY THE GROWTH IF WE ARE LIMITED ON THE FTS AND THERE IS NO LIMITATION ON THE STUDENT SUCCESS SIDE OR THE SUPPLEMENTAL, THEN THE PERCENTAGES AS YOU GO OUT ARE OBVIOUSLY GOING TO CHANGE. IT COULD GET WHERE YOU KNOW, 50 PERCENT OR 60 PERCENT ARE IN THE FIRST-2 AND 3 CATEGORIES OR OUT-TRUMPING YOUR FTS SO IT A LITTLE EARLY. THIS IS YEAR ONE OF THE NEW

10

FORMULA AND WAY TOO EARLY TO FIGURE IF THAT IS TRULY GOING TO BE THE CASE. AGAIN, THIS IS WHAT WE KNOW AS OF TODAY. THERE IS STILL A LOT OF UNKNOWNNS MOVING FORWARD HOW IT IS GOING WORK AND BENEFIT OVER A LONGER PERIOD OF TIME. WE ARE HOPE BASED ON WHAT WE ARE SEEING AND WHAT YOU WILL SEE LATER IN THE PRESENTATION THAT POTENTIALLY WE COULD BENEFIT GREATLY FROM THIS CHANGE IN FUNDING FORMULA.

>> I THINK THOSE COMMENTS ARE REALLY IMPORTANT BECAUSE RIGHT NOW EVERYTHING IS GOOD. THE STATE IS IN A GOOD FINANCIAL POSITION. IN FACT THE MONEY YOU SEE ALLOCATE TODAY THE COMMUNITY COLLEGES IS NEW MONEY WE DIDN'T HAVE BEFORE AND THE WAY WE WILL BE FUNDED IS GREATER FOR EVERY COLLEGE THEN IT WAS THE PREVIOUS YEAR AND THE NEXT YEAR IS GREATER THAN THE PREVIOUS YEAR, WHICH MEANS IF WE ARE SUCCESSFUL IN THE 2020 PORTION OF THE FORMULA, THEY WILL CAP IT. THEY WILL NOT BE A WAY FOR THE STATE TO BE ABLE TO PAY US FOR SUCCESS IN AN UNLIMITED BASIS. I BELIEVE WHAT THE STATE IS COUNTING ON IS FOR THE NEXT FIVE TO 10 YEARS THE PROJECTION ON ENROLLMENT IS NOT FAVORABLE. WE HAVE BEEN REALLY LUCKY. WE HAVE BEEN ABLE TO MAINTAIN ENROLLMENT STABLE OR AT LEAST FLAT WHERE MOST NEIGHBORING COLLEGES ARE STILL IN DECLINE, BUT OUR PROJECTIONS FOR ENROLLMENT DO NOT LOOK ANY BETTER IN THE NEXT 5 TO 10 YEARS, SO WHAT I'M GUESSING IS WHAT THE STATE IS DOING IS USING THE 5 TO 10 YEAR PROJECTIONS ON ENROLLMENT TO SHIFT DOLLARS THAT WILL HAVE TRADITIONALLY ALLOCATED TO FTS INTO THE 2020 BUT IT ISN'T A BLANK CHECK AS YOU SAY.

>> THAT IS PERFECTLY PROBLEMATIC IN A WAY BECAUSE ENROLLMENTS TEND TO DECREASE IN TIMES OF ECONOMIC PROSPERITY AND GO UP

WHEN ECONOMICS ARE TIGHTER. THE STATE HAS FUNDING CAPABILITY COMPLETELY INVERSE OF THAT. IT IS PROBLEMATIC, SO IN OTHER WORDS, WE NEED TO BE VERY AWARE OF WHAT KINDS OF MOVES WE CAN MAKE AS WE ADJUST THIS NEW FORMULA. IN MANNERS THAT ARE INTELLIGENT TO THE FACT IN 5 YEARS WE MAY BE IN THE INVERSE SITUATION WHERE WE HAVE A LOT OF STUDENTS TO PROVIDE FOR AND LESS FUNDING MADE AVAILABLE BY THE STATE.

>> CORRECT. THE NEXT FEW YEARS ARE CRITICAL ESSENTIALLY BECAUSE THE FORMULA WILL NOT SET FULLY UNTIL YEAR 3, SO WE-THIS IS THE FIRST YEAR OF CHANGE, NEXT YEAR OF CHANGE WE GO A EXTRA5 PERCENT AND THE FOLLOWING THE LAST 5 PERCENT SO AT THAT POINT IT IS 60-20-20. THE NEXT THREE YEARS WE HAVE TO BE VERY CAREFUL HOW WE DO OUR PROJECTIONS OR CALCULATIONS TO MAKE SURE WE ARE WHERE WE ARE SUPPOSED TO BE, AND AFTER THAT HOPEFULLY WE HAVE ENOUGH DATA TO START MAKING MORE ACCURATE PROJECTIONS BASED ON THE 40 PERCENT THAT IS THE MOVING TARGET. HOWEVER, IF WE CONTINUE TO DO WELL IN THE WAY THAT WE HAVE IN THE LAST COUPLE YEARS WITH COMPLETIONS, I THINKING WE SHOULD BE ABLE TO AT THE VERY MINIMUM BREAK EVEN ONCE WE ARE OUT OF THE FIRST THREE YEARS SO MAINTAIN WHATEVER BASE WE GET AT THAT POINT. IT WILL BE VERY IMPORTANT TO CONTINUE TO EITHER INCREASE OR MAINTAIN THE LEVEL OF DEGREES AND CERTIFICATES

11

BECAUSE THIS IS THE FIRST TIME WE ARE PAID ON THAT, AND WE DID OKAY.

>> SO THIS SLIDE IS THE TRANSITION AND STRUCTURE OVER THE NEXT 3 YEARS AS THE FORMULA CHANGES. YEAR 1 WE HAVE BEEN TALKING ABOUT THE BASE, 70 PERCENT. SUPPLEMENTAL, 20 PERCENT. STUDENT SUCCESS, 10 PERCENT. THE RATES DOLLAR FIGURES FOR EACH OF THEM FOR THE BASE RATE IS \$3.727. SUPPLEMENTAL IS THE \$919 PER POINT. AND THEN THE SUCCESS IS \$440 PER POINT PLUS \$111 PER POINT FOR THE EQUITY COMPONENT. NOW, THE NEXT YEAR YEAR 2, THE BASE ALLOCATION DROPS FROM 70 PERCENT TO 65 PERCENT. THE SUPPLEMENTAL IS NOT CHANGING, THAT STAYS CONSTANT 20 PERCENT AND THE STUDENT SUCCESS INCREASES FROM 10 TO 15 PERCENT. THE RATES ALSO DO CHANGE SO THE BASE RATE ACTUALLY DOES GO DOWN FROM \$3.727 IT DROPS TO \$3.387, SUPPLEMENTAL RATE STAYS THE SAME BUT IF YOU NOTICE ON STUDENT SUCCESS, THAT RATE GOES UP FROM \$440 TO \$660, PLUS THE EQUITY BUMP GOES FROM \$111 TO \$167. NOW IN THE FINAL YEAR OF THE FORMULA, NOW WE GET TO WHERE THEY INTENDED TO GET TO, THE 60-20-20. AGAIN, NOW DROPPING AGAIN THE RATE NOW DROPS TO \$3046 AND STUDENT SUCCESS INCREASES TO \$880 PER POINT, PLUS ON THE EQUITY BUMP YOU GET \$222. ALL THESE RATES ARE ADJUSTED BY COLA IF THERE IS A COLA GIVEN, SO THESE RATES COULD INCREASE YEAR AFTER THAT BASED ON WHATEVER PERCENTAGE A COLA IS. THIS IS THE ACTUAL FUNDING TRANSITION PLAN FOR THE FORMULA. ONCE WE GET INTO YEAR 3 THIS IS WHAT CONSISTENTLY WE ARE GOING TO BE. OKAY?

>> [INAUDIBLE COMMENTS]

>> I GOT IT DOWN, I JUST NEED THE SPREADSHEET. I HAVE A QUICK QUESTION. WHAT YOU ARE SAYING IS GET THE STUDENT SUCCESS PORTION DONE RIGHT THE FIRST YEAR BECAUSE AS WE KEEP GOING INTO EACH CONSECUTIVE YEAR.

>> THERE ARE MORE POINT ASSIGNED.

>> WE WILL NEED ALL YOUR SUPPORT TO GET THIS TO HAPPEN AND RESEARCH FOLKS, SO-

>> IT IS REALLY A TOTAL INSTITUTION PHILOSOPHY. IT IS FROM STUDENT SERVICES TO ACADEMIC TO FACULTY TO SUPPORT STAFF, IT IS REALLY A PHILOSOPHY MORE OR LESS ON IT.

>> I THINK IT GREAT BECAUSE AT THE END OF THE DAY THE STUDENT WIN ON THIS SO REALLY EXCITED TO SEE WHAT IT LOOKS LIKE. I'M HAPPY WE GET IT AND FINALLY UNDERSTAND THE FORMULA.

>> THE TRAILER BILL WAS ONLY 108 PAGES.

>> WE ONLY NEEDED ONE VERSION AND ONE PAGE, SO-I THINK WE GOT QUITE A BIT OF WORK AHEAD OF US IN THE NEXT COUPLE YEARS, AND I'M SURE THAT KNOWING THIS BOARD CONTINUES TO SUPPORT STUDENT SUCCESS AT EVERY LEVEL, WE ARE ALL FULLY ON BOARD. I THINK WE NEED TO STAY FOCUSED ON THE RESEARCH COMPONENT BECAUSE I THINK WE NEED TO BE ABLE AS THEY SAY, GRAPHIC AS MUCH AS WE CAN IN THE VERY LAST CATEGORY OF STUDENT SUCCESS BECAUSE I GAVE A CLASSIC EXAMPLE, I DROPPED OUT ALONG THE LINE EVEN THOUGH I SUCCESSFULLY TRANSFERRED SO THERE WAS NO ONE ASKING ME OR

12

QUESTIONING ME IT JUST HAPPENED SO I THINK WE NEED TO LOOK AT INVESTING IN EITHER WHETHER WE BRING SOMEONE ON BOARD JUST TO DO THAT OR FACILITATE THE FOLKS WHO ARE HERE THAT UNDERSTAND THAT VERY WELL TO MONITOR THAT AND REALLY CAPTURE AS MUCH AS WE CAN IN THE VERY LAST CATEGORY. LOTS OF WORK AHEAD.

>> ALL MOST DONE WITH THE FORMULA, THERE ARE A COUPLE NUANCES TO IT. BECAUSE WE MOVE INTO A NEW FUNDING FORMULA THERE IS UNKNOWN. THE STATE DID IMPLEMENT A HOLD HARMLESS OVER THAT THREE YEAR PERIOD WHICH BASICALLY SAYS NO DISTRICT WILL RECEIVE LESS FUNDING THEN WHAT THEY RECEIVED IN 17-18 AND EACH WILL RECEIVE INCREASE THAT REFLECTS COST OF LIVING ADJUSTMENT. IF THE FORMULA WAS NOT IN OUR FAVOR AND ACTUALLY DECLINED FROM WHAT WE PREVIOUSLY JUST RECEIVED IN 17-18, THE STATE WOULD HOLD US HARMLESS, WE GET THAT CONTINUING FUNDING FOR EACH OF THE THREE YEARS IF NEEDED. BUT RIGHT NOW AS SOON YOU WILL KNOW, WE ARE NOT GOING TO BE HOLD HARMLESS AT LEAST IN YEAR ONE AND CHANCES ARE NOT IN TWO OR THREE, BUT IT IS THERE IN CASE IT IS NEEDED. SOME DISTRICTS WILL NEED THIS, WE ARE NOT ONE OF THEM AT THE MOMENT. NON CREDIT FTS-BY THE FORMULA I JUST WENT OVER ONLY APPLIES TO CREDIT FTS, DOES NOT APPLY TO NON-CREDIT FTS WHICH ALSO INCLUDE OUR CAREER DEVELOPMENT COLLEGE PREPARATION FTS. THOSE ALL NON-CREDITS STILL FOLLOW THE OLD FORMULA SO YOU STILL NEED TO KNOW THE OLD FORMULA. WHICH IS STILL BASED ON WHAT WE JUST REPORTED OVER 500FTS, SO

IT IS A SIGNIFICANT DOLLAR VALUE TO US. STILL VERY IMPORTANT TO HAVE AS WE EVERY YEAR HAVE BEEN INCREASING NON-CREDIT CLASSES BOTH ON THE TRADITIONAL NON-CREDIT AND CDCP.

>> CAN YOU GIVE EXAMPLES OF WHAT THOSE CLASSES LOOK LIKE? SOME ARE THOSE THAT DON'T QUALIFY THE LOWER END COURSES IN ENGLISH AND MATH ARE SOME OF THOSE COURSES BUT GIVE A EXAMPLE OF SOME OF THE OTHER CAREER DEVELOPMENT COLLEGE PREPARATION COURSES.

>> I CAN BUT REQUEST THE ASSISTANCE OF MR. MIRANDA, HE KNOWS THE CLASSES A LOT BETTER THAN I DO.

>> YOU ARE CORRECT, MANY YEARS AGO SOME OF THE LOWEST MATH COURSE DEVELOPMENT WERE MOVED. MATH 20 WERE MOVED OVER THERE BUT THERE ARE ALSO MATH COURSES, BASIC ARITHMETIC SIT IN ADULT ED, THE NON CREDIT SITE SIDE. WE ALSO HAVE ESL COURSES AND PREP COURSES FOR GED SO THOSE ARE EXAMPLES OF COURSES WE HAVE OVER THERE.

>> OKAY. NOW SOME BIG NEWS. SO, THE NEW FORMULA IT IS PROJECTED IT WILL PROVIDE CERRITOS COLLEGE NEW MONIES. UNDER THE OLD FUNDING FORMULA, WHICH IS WHAT WE USED TO DEVELOP OUR TENTATIVE BUDGET FOR 18-19 BECAUSE WE DIDN'T KNOW WHAT THE FORMULA WAS GOING TO BE. WHEN WE BROUGHT TO YOU IN JUNE, WE BROUGHT A BUDGET THAT HAD OUR STATE PORTION BEING \$96.2 MILLION. THAT WAS BASED ON OUR FTS FOR 17-18, PLUS COLA. THIS THEORETICALLY IS THE HOLD HARMLESS NUMBER. WE WILL NOT RECEIVE LESS THAN \$96.2 MILLION. BASED ON RUNNING THE CALCULATION UNDER THE NEW FORMULA WE PROJECT WE WILL GET

13

APPROXIMATELY BETWEEN 104 AND \$105 MILLION SO THAT IS APPROXIMATELY INCREASE FROM WHAT WE PRESENTED TO THE BUDGET BETWEEN 8 AND \$9 MILLION ADDITIONAL REVENUE THAT WILL BE COMING TO US IN THE 18-19 BUDGET. OBVIOUSLY THE FUNDING FORMULA IS GOING TO HAVE CURRENTLY IS HAVING A POSITIVE IMPACT TO OUR OVERALL BUDGET.

>> VISE PRESIDENT LOPEZ, IS IT FAIR TO ALSO NOTE BECAUSE WE HAVE A SHORTFALL OF \$4 MILLION THIS YEAR SO THE \$8 MILLION--EXPLAIN HOW THE \$8 MILLION SURE PLUS RELATES TO THE IT \$4 MILLION DEFICIT.

>> I'LL GO INTO THAT.

>> TO ADD TO WHAT TRUSTEE BIRKEY IS ASKING CAN YOU ALSO TELL US WHAT IS OUR TOTAL EXPENSES FOR THE YEAR AND WHAT IS EXPECTED TO BE THE TOTAL EXPENSES FOR NEXT YEAR?

>> YES, I'LL GET TO THE--ACTUALLY I HAVE A SLIDE ON IT AND SO IF YOU BEAR WITH ME AND I THINK IT IS ON THE LAST--WHEN I GET TO THE SLIDE I'LL ELABORATE OWN IT. HERE'S ADDITIONAL CHANGES YOU WILL SEE COMING FORWARD WHEN WE PRESENT THE ADOPTED BUDGET IN SEPTEMBER. I JUST TALKED ABOUT THE INCREASE IN STATE APPORTIONMENT WE'LL RECEIVE. A MAJOR DOWNER IF THERE IS A DOWNER IS THE DECREASE IN DIFFERED MAINTENANCE AND CONSTRUCTION EQUIPMENT DOLLARS RECEIVED. WE WILL RECEIVE

APPROXIMATELY \$418 THOUSAND. TRADITIONALLY WE ARE RECEIVING BETWEEN \$1.5 MILLION OR MORE SO THIS IS SIGNIFICANT DECREASE TO US SO WE HAVE TO MANAGE THIS A LITTLE BIT BETTER, PROBABLY HAVE TO USE SOME OF OUR ADDITIONAL REVENUE SOURCES TO KIND OF MAKE UP FOR THE LOSS IN REVENUES IN THIS AREA. WE DID-

>> WHY?

>> WE DID RECEIVE LESS DOLLARS.

>> WHY DID WE RECEIVE LESS DOLLARS BECAUSE WE HAVEN'T HAD A HUGE DROP IN ONE YEAR?

>> THE STATE CUT IT. SO, MY GUESS IS THEY TO FUND THE FORMULA THEY STARTED SUBSIDIZING ADDITIONAL PROGRAMS. THIS PROGRAM WAS HIT AND ACTUALLY THE BUDGET CALLS OUT THAT THIS MONEY IS ONLY ONE TIME MONEY. IT IS ONE TIME FOR THE LAST 5 OR 6 YEARS. AT ANY MOMENT IT COULD DISAPPEAR. WE HAVE BEEN FORTUNATE TO BE RECEIVING IT FOR THE LAST 5 YEARS, BUT THIS IS NOT ONGOING MONEY.

>> COMMUNITY COLLEGES COME FROM PROP 98 AND CHAIR WITH K-12. THIS YEAR ON THE COMMUNITY COLLEGE BUDGET THERE WERE A COUPLE OF COLLEGES THAT RECEIVED A COUPLE OF FAVORS FROM COMING ON ELECTION, SO CONSTRUCTION PROGRAMS WERE FUNDED DIRECTLY OUT OF PROP 98 AND THOSE HAVE TO BE SUBTRACTED FROM SOMEWHERE AND IMAGINE THAT IS SOMETHING THAT HAPPENED SO WE HAD A COUPLE OF OUR NEIGHBORS COLLEGES THAT ARE CONTENTIOUS SO THEY RECEIVE FUNDING FOR COLLEGE CONSTRUCTION STRICTLY FROM PROP 98. NOT FROM THE CONSTRUCTION BOND. THERE ARE ABOUT \$20 MILLION OR SO, MAYBE MORE OF CONSTRUCTION PROJECTS THAT WERE TAKEN OUT OF PROP 98 AND GIVEN TO A FEW COLLEGES IN THE AREA BASED ON SENATE AND ASSEMBLY BILLS.

14

>> SOME ADDITIONAL THINGS THAT WILL BE COMING THIS WAY IS THE FINANCIAL AID TECHNOLOGY IMPROVEMENT SAID. THIS PROVIDE ONE TIME AND ONGOING FUND TO US. WE WILL RECEIVE A LITTLE MORE THAN \$159 THOUSAND WHICH IS AVAILABLE IN SEPTEMBER OF 18 AND RECEIVED NEARLY \$59 THOUSAND OF ONGOING DOLLARS THAT IS ALREADY AVAILABLE TO US. THESE FUND WILL BE- THESE PARTICULAR FUNDS WILL NEED TO BE SPENT WITHIN A TWO YEAR TIME PERIOD, SO THAT IS GOOD NEWS OF ADDITIONAL MONIES. THE CALIFORNIA COLLEGE PROMISE PROGRAM IS- THIS PROGRAM PROVIDES \$46 MILLION OF ONGOING REVENUES TO COMMUNITY COLLEGES. AT THIS POINT I HAVEN'T SEEN HOW THIS MONEY WILL BE DISTRIBUTED YET. SAME WITH THE ADULT EDUCATION PROGRAM. THERE HAS BEEN A NAME CHANGE TO THIS PROGRAM, BUT THIS ALSO PROVIDES \$26.6 MILLION OF ONGOING FUNDS AND \$5 MILLION FOR INVESTMENT IN DATA COLLECTION AND ACCOUNTABILITY SYSTEMS. AGAIN, THIS WAS FORMALLY NAMED THE ADULT EDUCATION BLOCK GRANT PROGRAM AND RENAMED TO ADULT EDUCATION PROGRAM. I STILL AT THIS POINT DONT KNOW HOW THE FUNDS ARE BEING ALLOCATED BUT THE INFORMATION WILL COME OUT SOON. YOU MIGHT KNOW ON THE STATE WEBSITE WITH THE ADOPTED BUDGET IT ONLY HAS THE LAST FEW DAYS

AGO WITH I CHECKED IT IS STILL ONLY THE SUMMARY FORMAT, THE  
DETAIL HAS NOT BEEN POSTED BUT AS DETAIL COMES OUT WE WILL  
KNOW MORE ON THE QUESTIONS BUT AT LEAST WE KNOW THE FUNDING  
AND CAN MAKE ASSUMPTIONS ABOUT WHAT OUR ALLOCATION WILL BE.  
HERE ARE KEY CONSIDERATIONS TO TAKE INTO ACCOUNT. OUR  
TENTATIVE BUDGET, WE BROUGHT TO YOU DID INCLUDE A BUDGET  
DEFICIT OF ABOUT LITTLE MORE \$400 THOUSAND, SO KEEP THAT IN  
MIND. ANY ADDITIONAL MONIES WILL IMMEDIATELY BE OFFSETTED ON  
THAT. ONE ALSO PARTICULAR ITEM THAT WAS IN THE TENTATIVE  
BUDGET IS WE HAD BUILT IN A \$2.2 MILLION ONE TIME COST SAVINGS  
FOR VACANCIES BECAUSE OF OF THE SERP. A BULK OF THESE  
VACANCIES EVEN THOUGH THERE IS FACULTY CLASSIFIED MANAGEMENT  
POSITIONS AT LEAST 13 ARE FULL TIME POSITIONS THAT WILL REMAIN  
VACANT IN THE 18-19 YEAR, BUT WE WILL BE REQUIRED TO FILL  
THESE POSITIONS IN 19-20, SO THESE ARE ONE TIME COST SAVINGS  
SO THESE ARE ONGOING COSTS WE WILL INCUR SO KEEP IN MIND THIS  
IS NOT A FOREVER COST SAVINGS IT IS ONE TIME COST SAVINGS AND  
WE WILL PICK UP ABOUT \$2.2 MILLION OF ONGOING EXPENSES  
STARTING IN 19-20 ON THERE. TO ANSWER YOUR QUESTION TRUSTEE  
BIRKEY REGARDING-SAY WE END THE PREVIOUS FISCAL YEAR, 17-18  
WITH A DEFICIT, HOW DOES IT WORK IN? THE WAY IT IS WORKS IS  
IF WE END THE YEAR IN A DEFICIT WE BEGIN THE YEAR WITH A LOWER  
BEGINNING BALANCE AND SO EVEN THOUGH WE MIGHT END THE YEAR IN  
A NEGATIVE \$4 MILLION, ALSO TAKE INTO ACCOUNT THAT WHEN WE  
IMPLEMENTED THE SERP, WE ARE GOING TO HAVE COST SAVINGS BUILT  
INTO THERE, SO YOU REALLY CAN'T TAKE LAST YEARS DEFICIT AND  
TRY TO APPLY TO THE CURRENT YEAR BECAUSE WITHIN THE CURRENT  
YEAR BUDGET WE ALREADY ACCOUNT FOR ALL THE CHANGES REGARDING  
ANY OF THE CLASSIFIED POSITIONS MANAGEMENT POSITIONS AND  
CLASSIFIED. THE ONLY THING NOW WE HAVE TO ACCOUNT FOR TO

15

INSURE WE ARE IN A BALANCED BUDGET IS ONE, GET RID OF THE  
DEFICIT WE ORIGINALLY ADOPTED IN THE TENTATIVE BUDGET, AND  
INSURE WE HAVE SUFFICIENT FUNDS FOR THE ONGOING \$2.2 MILLION  
OF ONGOING COSTS THAT WE WILL HAVE TO FILL BECAUSE WE HAVE TO  
MEET REQUIREMENTS AND WE ALSO HAVE TO FILL ALL THE CURRENT  
VACANCY POSITIONS ON THERE. THAT'S HOW-THOSE TWO ITEMS IS  
WHAT WE NEED TO FOR SURE INSURE THAT WE HAVE SUFFICIENT  
FUNDING TO CONTINUE TO FUND THOSE ITEMS, BECAUSE REALLY, LAST  
YEARS JUST BECAUSE THERE WAS A LOT OF MOVING PARTS, BECAUSE OF  
THE SERP WE ALREADY TOOK THOSE INTO ACCOUNT IN THE NEW BUDGET,  
THE ONLY THING NOW WE NEED TO ADDRESS IS THE DEFICIT AND  
ONGOING COST BECAUSE OF HAD ONE TIME COST SAVINGS BUILT IN  
THERE.

>> YEAH, I UNDERSTAND THAT PIECE AND ON A CASH' FLOW  
ACCOUNTING BASIS I UNDERSTAND WHERE YOU ARE GOING. MY READ  
THOUGH IS WE END ONE YEAR IN A DEFICIT IN THE MILLIONS OF  
DOLLARS, WE HAVE TO DIP INTO THE RESERVES IN ORDER TO MAKE  
ENDS MEET.



>> YES.  
>> THEN OUR HOPE IS THAT IN THE FOLLOWING YEAR OR A FOLLOWING YEAR WE HIT A SURPLUS AND REPLENISH THE RESERVES?  
>> RIGHT. AND WE WILL BASED ON THE NEW FUNDING FORMULA AS I MENTIONED BEFORE IT WILL GIVE US IN THE NEIGHBORHOOD OF 8 TO \$9 MILLION ADDITIONAL MONEY  
>> TO REPLENISH THE RESERVES?  
>> WHICH WOULD NOT NECESSARILY REPLENISH THE RESERVES, IT WOULD JUST PUT OUR REVENUES WILL NOW EXCEED THE ONGOING EXPENSES.  
>> COULD YOU EXPLAIN FOR CLARIFICATION BECAUSE I WAS LOOKING ON ONE OF THE SLIDES AND SAYS \$96 MILLION WOULD HAVE BEEN OUR FORMULA BUT YOU SAID AS OF YESTERDAY WE HAVE ALREADY SPENT ALL MOST \$105 MILLION?  
>> THIS RELATES TO 18-19.  
>> YEAH, SO I GUESS WHAT I'M TRYING TO GET TO IS, WHAT ARE OUR PROJECTED EXPENSES BASED ON THE PROJECTED ALLOCATION, MEANING IF HERE ON THE SLIDES YOU READING THAT WE HAVE-WE ARE PROBABLY GOING TO GET A ALLOCATION OF 104 OR \$105 MILLION, HOW MUCH ARE WE PROJECTED TO SPEND BECAUSE IN REALTY THAT WILL DETERMINE HOW MUCH MONEY WE ARE TRULY GETTING ABOVE AND BEYOND OUR EXPENSES?  
>> THAT'S RIGHT SO ADDITIONAL \$8 MILLION REALLY OPERATES UNDER THE ASSUMPTION WE HAVE THE SAME EXPENSES-  
>> CORRECT. SO IF I HEAR YOU CORRECTLY WHICH MAYBE I DIDN'T WE ALLOCATED \$96 MILLION AND YOU SAID WE SPEND CLOSE OF 105 THAT ESSENTIALLY MEAN WE OVER SPENT \$9 MILLION BASED ON THEIR FORMULA, BUT NEXT YEAR WE GET \$105 MILLION BUT LOOKS LIKE THE EXPENSES ARE 104 SO ONLY HAVE ONE OVER.  
>> WE SPENT 105 IN 17-18 WHICH INCLUDED ALL THE EMPLOYEES THAT ARE NOW THAT WERE ON THE SERP, THE FOLLOWING YEAR WE WILL RECEIVE COST SAVINGS, SO WE ARE NOT NECESSARILY GOING TO SPEND

16

THE SAME AMOUNT OF MONEY GOING FORWARD. ALSO, TAKE INTO ACCOUNT THE 105 ALSO INCLUDES \$1.1 MILLION IN THE FIRST YEAR SERP PAYMENT, ALSO INCLUDE \$400 THOUSAND OF ADDITIONAL VACATION DOLLARS WE TRADITIONALLY WOULD NOT HAVE PAID OUT IF WE DIDN'T GO WITH A SERP SO WE DID INCUR ADDITIONAL MONIES TO GET TO THE 105, SO TO ANSWER YOUR QUESTION, MOVING FORWARD IN 18-19, I'M TRYING TO GO BACK-  
>> IT IS ABOUT \$4.2 MILLION THEN?  
>> YEAH. MORE OR LESS. OUR CALCULATIONS IS WE-WE ARE GOING TO ENTER INTO THE SURPLUS IN 18-19 THE WAY THE BUDGET SITS TODAY.  
>> AND-WHEN THE CALCULATIONS ARE YOU COUNTING \$2.2 MILLION SAVINGS ON KEEPING THE POSITIONS VACANT FOR THE YEAR, RIGHT?  
>> THOSE ARE JUST FOOTNOTED ON THE BOTTOM TO-THOSE ARE ONLY A ONE TIME COST SAVINGS IN YEAR ONE BUT ARE ADDED BACK IN ON THE MULTI-YEAR BUDGET, SO YOU DO SEE THE IMPACT OF THOSE PUT BACK

INTO THE THE BUDGET ON MULTI-YEAR. OUR SURPLUS WILL BE A LITTLE HIGHER IN YEAR ONE BECAUSE OF 2.2 IN COST SAVINGS BUT THE FOLLOWING YEAR THE SURPLUS DROPS BY \$2.2 MILLION BECAUSE WE NO LONGER HAVE THE COST SAVINGS.

>> SO, IN REALTY THE NET INCREASE AFTER WE COVERED ALL EXPENSES AND ACCOUNT FOR THE VACANCIES THAT HAVE TO BE FILLED IS 2.2?

>> SAY THAT AGAIN?

>> SO, YOU SAID IN THE 105 WE INCLUDED \$1.2 MILLION FROM VACANCY SAVINGS, \$2.2-1.2 MILLION FROM THE SERP, \$400 THOUSAND ON VACATION BUY-BACK, AND--

>> WHAT IS OUR PROJECTED DEFICIT OF SURPLUS? 18-19.

>> RIGHT NOW-I DIDN'T PRINT IT OUT RIGHT IN FRONT OF ME, BUT MORE OR LESS IF THERE WAS NO CHANGES TO THE EXPENSE SIDE OF THE BUDGET, IT IS-

>> I THINK THAT IS WHAT YOU ARE TRYING TO GET AT AND I'M TRYING TO GET AT TOO.

>> IF THERE WERE NO CHANGES AS IS IT IS HOVERING AROUND \$7 AND A HALF MILLION BUT JUST REMEMBER 2.2 OF THAT IS ONLY ONE TIME.

>> NON-STRUCTURAL IS WHAT YOU ARE SAYING, NON-STRUCTURAL SAVINGS.

>> YEAH. SO, IF WE FILLED THOSE POSITIONS LIKE WE ARE GOING TO IN REALTY IT'S 5.3.

>> IS THAT INCLUDING THE SECOND PAYMENT OF THE SERP?

>> YES, THAT IS ALREADY INCLUDED IN THAT.

>> THANKS.

>> IS THAT THE END THE PRESENTATION?

>> YES, UNLESS THERE ARE QUESTIONS.

>> SEEING NO FURTHER QUESTIONS, THANK YOU. DID YOU HAVE SOMETHING?

>> YEAH. I KNOW IT WAS MENTIONED ABOUT AUTO-AWARDING FOR THE CERTIFICATES, WHILE I THINK THAT IS A GREAT IDEA WOULD STUDENT ENROLLED HAVE THE CHANCE NOT TO BE AUTO- AWARDED IF THEY ARE TAKING CLASSES. THE CULINARY ARTS DEPARTMENT HAS THREE

17

DIFFERENT CERTIFICATES. I'M ELIGIBLE TO APPLY FOR ALL THREE BUT BECAUSE I DECIDE TO PURSUE MY ASSOCIATE DEGREE WITH TRANSFER AS WELL, I HAVE NOT APPLIED FOR THOSE CERTIFICATES YET. MY WONDER IS BASICALLY WILL THEY STILL HAVE THE OPTION WHEN TO APPLY FOR THE CERTIFICATE JUST FOR THE REASONS OF SAY HAVING THEM AWARDED WHEN THEY ACTUALLY GRADUATE? THAT WAS JUST OF MY QUESTIONS ABOUT THE AUTO-AWARDING SPECIFICALLY BECAUSE OF THE CULINARY ARTS DEPARTMENT. AS FAR AS COMMENTS ABOUT THE PRESENTATION, IT SEEMS THAT THE MOTIVATION IS GOING TO BE TO HAVE SOME OF OUR CERTIFICATE STUDENT PURSUE ASSOCIATE WITH TRANSFER DEGREES SO THEY COULD BE ELIGIBLE FOR MULTIPLE CATEGORIES FOR INCENTIVES. THAT IS SOMETHING WE CAN DO AS STUDENT LEADERS PUSHING OUR PEERS TO DO THAT. THE MAIN THING I WAS WORRIED ABOUT IS THE AUTO-AWARDING. I THINK IT A GREAT

IDEA FOR THE STUDENTS NOT APPLYING BUT HOPE THERE IS A OPTION.  
>> SOME OF WHAT WE HAVE DISCUSSED ARE OPT OUTS. IN THE PAST IF THE STUDENT DID APPLY FOR GRADUATION BECAUSE THEY ARE PENALIZED FOR FINANCIAL AID BUT THAT IS NO LONGER THE CASE. YOU CAN OPT OUT. THE OTHER REASON IS AND THIS HAPPENS MORE FREQUENTLY THEN I EXPECTED, YOU RUN INTO STUDENT THAT COME TO TALK TO YOU AND I HAVE HAD A FEW THAT COME, I ASK FOR THE TRANSCRIPT AND LOOKED AT IT AND HAVE BEEN ELIGIBLE TO GRADUATE A LONG TIME AGO. LIKE LONG TIME AGO. THEY ARE ELIGIBLE FOR TWO DEGREES AND THEY DON'T KNOW. SO, WE NEED TO BE A LITTLE MORE PROACTIVE. I THINK THE COUNSELORS HAVE DONE A NICE JOB BECOMING MORE PROACTIVE WITH SOME OF THE STUDENTS BUT WE HAVE SO MANY OF THEM, WE SHOULD PROBABLY LOOK AT THAT CLOSELY BECAUSE MANY OF THEM COULD BE TAKING CLASSES WITHOUT KNOWING THAT THEY ARE READY TO TRANSFER, ESPECIALLY THE STUDENT THAT HAVE BEEN HERE A WHILE AND NOT PART THE MANDATORY ORIENTATION. THEY PROBABLY DON'T KNOW THEIR STATUS. THE OTHER THING WE ARE DOING IS REVERSE TRANSFER SO WE HAVE BEEN WORKING WITH CSU LONG BEACH TO SEE HOW TO IMPLEMENT THE PILOT TO LOOK ON HOW TO TRANSFER SOME OF THE CLASSES THE STUDENT LEAVE WITHOUT GRADUATING TAKE THERE THAT APPLY TO THEIR DEGREE HERE, AND SEE IF WE CAN AWARD THEM DEGREE OR CERTIFICATE BASED ON WHAT THEY HAVE COMPLETED. THE QUESTION OFTEN IS WHAT WOULD YOU AWARD A DEGREE OR CERTIFICATE IF THEY ARE TRANSFERRING? MANY LIKE THE CSU STUDENT THEY WORK AND WHAT WE HAVE SEEN IN THE EMPLOYMENT DATA IS A DEGREE AND CERTIFICATE BETWEEN THEIR BACCALAUREATE DEGREE INCREASE THE PAY BETWEEN 2 AND \$4 DEPENDING WHAT THEY DO OPEN THE DOOR TO ACTUALLY LOOK FOR DIFFERENT JOBS. WE HAVE BEEN LOOKING AT SOME OF THOSE NUMBERS AND IT LOOKS LIKE WE HAVE A SIGNIFICANT NUMBER OF STUDENT THAT TRANSFER TO THE CSU PARTNERS WITHOUT COMPLETING THE PROGRAM AND ARE ELIGIBLE FOR A CERTIFICATE OR ASSOCIATE DEGREE AND THAT INTERMEDIATE DEGREE ESPECIALLY FOR THE WORKING STUDENT, THAT MAKE A DIFFERENCE ON PAY WHEN THEY JOIN THE WORKFORCE. AND I WANT TO THANK FELIPE FOR THE WORK ON THE FORMULA. THIS HAS BEEN A MOVING TARGET FROM THE GET-GO AS MANY OF YOU HAVE SEEN. FELIPE HAD BEEN

18

TRYING TO MODEL THE CALCULATIONS FOR A WHILE AND I DON'T KNOW WHICH MODEL NUMBER IS THIS BUT EVERY TIME THE FORMULA CHANGED HE CAME OUT WITH A NEW PROJECTION SO WE ARE ABLE TO TRY TO UNDERSTAND WHAT IS HAPPENING, AND I HAVE TO SAY THAT HE HAD CALCULATED THESE BEFORE THE CHANCELLOR OFFICE RELEASED THE MODELS LAST NIGHT AND IT IS PRETTY ACCURATE WITH THE LIMITED INFORMATION THAT WE HAD SO THANK YOU FOR THAT WORK FELIPE.

>> NO PROBLEM, THANK YOU. I WAS A LITTLE NERVOUS BECAUSE I KNOW I WOULD PRESENT WITH A NUMBER AND WAS TALKING TO RICK YESTERDAY AND I FELT PRETTY CONFIDENT AND THEN I WENT HOME AND SAID, CRAP, MAN, WHAT IF I'M OFF AND I'M ABOUT TO PRESENT A BIG NUMBER AND IF I'M NOT AND ALL A SUDDEN THE CHANCELLOR'S

OFFICE, MY PHONE BEEPED AT ME AND I LOOKED AND SAID THE SIMULATION IS OUT, AND SO I WENT AND REVIEWED IT AND AS SOON AS I REVIEWED IT, I WAS LIKE, I CAN HAVE A DRINK NOW.

[LAUGHTER].

>> A DRINK OF WATER.

>> LET'S TALK STOCK MARKET LATER IF YOU HAVE A CHANCE.

>> ANY OTHER QUESTIONS?

>> WITHOUT FURTHER QUESTIONS THANK YOU AGAIN FILIPE FOR YOUR PERSISTENCE. WITHOUT FURTHER QUESTIONS WE'LL GO TO THE CONSENT CALENDAR. THERE ARE REVISIONS TO CERTAIN ITEMS, ITEMS 25 AND 28 WHICH ARE AVAILABLE AT THE TABLE THERE AS WELL AS ONLINE IF EACH BOARD MEMBER HAS HAD A CHANCE TO REVIEW EACH OF THESE ITEMS AND THE REVISION I'LL ENTERTAIN A MOTION TO ACCEPT ITEMS NUMBER 6-32.

>> MOTION TO APPROVE ITEMS 6-32.

>> SECOND.

>> WE HAVE A MOTION AND SECOND. ANY OBJECTION TO THE ADOPTION OF SAID MOTION? SEEING NONE, THE MOTION CARRIES AND MOVE TO ITEM NUMBER 33, WHICH IS THE RECEIPT OF THE INITIAL PROPOSAL OF THE CERRITOS COMMUNITY COLLEGE DISTRICT TO CALIFORNIA SCHOOL EMPLOYEE ASSOCIATION FOR NEGOTIATION OF THE DISTRICT COLLECTIVE BARGAINING AGREEMENT FOR JULY 1, 2018 TO JUNE 30, 2021 AND NOTIFICATION OF HEARING OF AUGUST 16 REGULAR BOARD MEETING. ENTERTAIN A MOTION TO RECEIVE AND FILE.

>> MOTION TO RECEIVE AND FILE.

>> MOTION TO RECEIVE AND FILE, IS THERE A SECOND.

>> SECOND.

>> WE HAVE A MOTION AND SECOND, AND WITHOUT OBJECTION THE ITEM IS RECEIVED AND FILED. ITEM NUMBER 34 IS 2018 AND 19 BUDGET PLANNING TIMELINE, AND WITHOUT A PRESENTATION WE WILL UNLESS YOU-DID YOU IS A PRESENTATION?

>> NO, IT IS JUST THE-WE HAVE 6000 THAT TELL WHEN WE SCHEDULE OUR PRESENTATIONS FOR APPROVAL THE BOARD MEETING AND SO WE'LL ESSENTIALLY INFORMING YOU WE ARE DOING THAT FOR THIS CURRENT BUDGET. WE HAVE BEEN PRESENTED AND WILL DO OUR FINAL COME SEPTEMBER-AUGUST? AUGUST. BEFORE THE BOARD MEETINGS SO THE CAMPUS COMMUNITY HAD THE OPPORTUNITY TO SEE OUR FINAL BUDGET BEFORE IT COMES TO YOU. AS HAPPENED IN THE PAST IF THERE ARE

19

CHANGES IN THE EVER CHANGING FUNDING FORMULA WE WILL ADD TO THE AGENDA PRIOR TO THAT AND KEEP YOU ALL INFORMED OF WHERE WE ARE, BUT WE FEEL PRETTY COMFORTABLE WITH THE CURRENT NUMBERS.

>> THANK YOU. WITH THAT, I WILL ENTERTAIN A MOTION TO RECEIVE AND FILE.

>> MOTION TO RECEIVE AND FILE.

>> MOTION. IS THERE A SECOND? ANY OBJECTION? SEEING NONE MOTION CARRIES SO MOVE TO ITEM NUMBER 35, THE REQUEST FOR PROPOSED FOR FOOD AND OUR CONCESSION SERVICES AND SURVEY RESULTS. IS THERE ANY QUESTIONS ON THIS MATTER BEFORE WE MOVE

TO A MOTION?

>> CAN THIS BE DESCRIBED A LITTLE. IT NEEDS TO BE CLARIFIED FOR ME. ARE WE SOLICITING A SURVEY OR FOR FOOD SERVICES?

>> SO, THIS IS THE RFP THAT IS TO CALL FOR PROPOSALS TO OCCUPY OR FOOD SERVICE LOCATION, RETAIL LOCATIONS. LAST TIME WE HAD A PROPOSAL AND DECIDED NOT TO ACCEPT, SO THE BOARD AND THE CAMPUS COMMUNITY AND STUDENTS ESSENTIALLY ASKED FOR SOME CHANGES IN THE RFP SO SIGNIFICANT FEEDBACK WAS TAKEN, A NUMBER OF MEETINGS LEAD BY MARK LOGAN WERE HELD, A NUMBER OF CONSTITUENTS WERE PART OF THAT COMMITTEE, COUPLE [INAUDIBLE COMMENTS] WERE SENT OUT AND THE FINAL RFP WAS MODELED AS A RESULT OF THE SERVICE. BECAUSE IT WAS VERY LARGE DISCUSSION LAST TIME AROUND WE ARE BRINGING THIS TO YOU TO SEE IF YOU HAVE ADDITIONAL SUGGESTIONS OR ANY COMMENTS IN THE RFP PROPOSAL BEFORE WE MOVE OUT. TRADITIONALLY WE DON'T DO THIS. WE SEND MANY RFP'S OUT ALL THE TIME, BUT BECAUSE THIS ONE HAS AN IMPACT TO EVERYONE AS WE ALL EAT ON CAMPUS, IT WAS AGREED AMONG ALL OF US LAST TIME WE TALK ABOUT THIS TO BRING IT FORWARD TO YOU AND FOR YOU TO LOOK AT IT AND PROVIDE ADDITIONAL FEEDBACK AND IF THERE IS ANY FEEDBACK WE'LL WORK WITH MARK TO INCORPORATE THAT FEEDBACK AND IF YOU GUYS ARE GOOD WITH WHAT WE CURRENTLY HAVE, MARK WILL CONTINUE TO MOVE THE PROCESS AS STATED IN THE PROCEDURES.

>> WHAT IS IT TIME 37 LINE ON THIS?

>> WE WILL-IF EVERYTHING GOES WELL WE WILL POST THE RFP IN THE NEXT FEW WEEKS SO WE DO THE SELECTION DURING THE FALL SEMESTER WITH A POTENTIAL SELECTION OF VENDORS AT THE END OF THE YEAR OR BEGINNING THE SPRING SEMESTER AND CONTRACTS BEGINNING ON THE FALL OF 2019. HOWEVER, THE TRANSITION TIME WILL HAPPEN DURING THE SUMMER AS PROBABLY SOME OF THE LOCATIONS WILL NEED TO HAVE SOME MAINTENANCE DONE AND SOME MODIFICATIONS TO ACCOMMODATE NEW VENDORS IF NEW VENDORS ARE SELECTED.

>> AND THIS MAKES ILLUSION TO THE CAMPUS WIDE SURVEYS. IS THERE A NEW CAMPUS WIDE SURVEY OR STILL USING THE ONE PROVIDED?

>> IT WAS NEW AND BASED ON THE FEEDBACK FROM THE COMMITTEE. ACTUALLY I THINK PHIL AND ANDREA WERE IN THE COMMITTEE.

>> I SAT ON THE COMMITTEE [INAUDIBLE COMMENTS] WE HAD THE HONOR WORKING ON THE RFP MODIFYING THE OLD RFP UPDATING. I WAS HERE FOR THE ORIGINAL BOARD MEETING WHERE THERE WAS A LOT

20

OF INTERESTED PARTIES IN THE FUTURE OF OUR FOOD VENDORS. I FELT WITH MY CULINARY ARTS EXPERTISE MAYBE I CAN LEND A HAND AND I HAVE FULL CONFIDENCE IN THE RFP US AND THE COMMITTEE PUT FORWARD. I'M SURE YOU GOT A COPY AS WELL.

>> WE HAVE IT ON THE BOARD BOOK THE RESULTS OF THAT.

>> THE SURVEY WAS A NEW SURVEY BUT BOTH SURVEYS WERE CONSIDERED IN THE PROCESS.

>> I HAVEN'T HAD A CHANCE TO REVIEW THE SURVEY IN THE BOARD

BOOK-IN A WORLD WHERE THERE A WORK DONE ON MARKET ANALYSIS FOR COLLEGE AND UNIVERSITY CAMPUSES, I WASN'T COMPLETELY SATISFIED WITH IT SO WANTED TO MAKE SURE GOING FORWARD WE PLACE IMPORTANCE ON THAT BECAUSE GARBAGE IN GARBAGE OUT WAS PART OF THOSE THINGS BUT I'LL HOLD THAT COMMENT FOR LATER. AFTER REVIEW.

>> ANY OTHER QUESTIONS ON THIS BECAUSE I DID HAVE A COUPLE OF QUESTIONS? ONE OBSERVATION I WANT TO POINT TO GET OUT OF THE WAY, I NOTICED IN OUR SURVEY THERE'S AN EQUAL AMOUNT OF STUDENT BETWEEN COKE AND PEPSI BUT THERE IS A STRONG LEAN TOWARD COCA-COLA PRODUCTS FROM THE EMPLOYEES WHICH IS NEAR MAJORITY. HAPPY TO BE IN THE NEAR MAJORITY. [LAUGHTER] FOR THE ALL COKE PRODUCTS AND SUCH. BUT A REAL QUESTION, OR AT LEAST CONCERN RATHER, IS THAT THE SURVEY HERE BRINGS UP THAT THE STUDENT AND EMPLOYEES ARE LOOKING FOR HEALTHY OPTIONS AND THAT WAS BY FAR ONE THE BIGGEST MESSAGES FROM THE SURVEY RESULT AND BELIEVE ON THE LAST ONE AS WELL. SO, ALL THESE VENDOR LOCATIONS ARE OF COURSE BRICK AND MORTAR AND SUCH AND WE ARE LOOKING TO PROVIDE AS MUCH DIVERSITY WHICH WAS THE SECOND MOST IMPORTANT MESSAGE WE GOT FROM HERE, BUT IN ORDER TO KIND OF ENHANCE THAT DIVERSITY AS SUCH, HAS THERE BEEN DISCUSSION ABOUT BRINGING FOOD TRUCKS ON A REGULAR BASIS TO EITHER OF OUR PARKING LOTS TO SUPPLEMENT THE BRICK AND MORTAR PLACES FOR THAT? NO, THERE HAS NOT.

>> NO, NOT ON A REG URAL BASIS. WE HAVE DONE THAT FOR SPECIAL EVENT BUT NOT ON A ONGOING BASIS.

>> BECAUSE, I DON'T KNOW WHAT OTHERS WOULD THINK BUT I THINK THAT AS I THINK I MENTIONED BEFORE THAT CHAMPMAN UNIVERSITY AND A FEW OTHER PLACES DO HAVE CONTRACTS WITH FOOD VENDORS TO COME ON THE CAMPUS ON A REGULAR BASIS AND OFTEN THOSE FOOD TRUCKS CAN BE JUST AS GOOD IF NOT BETTER IN SOME CASES THEN THOSE SERVED BY THE BRICK AND MORTAR PLACES, SO TO PROVIDE KIND OF THAT ENVIRONMENT AND THE LOCALE OF A FOOD TRUCK THAT IS WELL KNOWN OR SERVES A CERTAIN SPECIALTY OF FOOD LIKE SAY A LOBSTER ROLL, WHICH I LOVE--YES [LAUGHTER] EXACTLY. SO

>> [INAUDIBLE COMMENTS]

>> NO, OF COURSE. I THINK THAT SHOULD BE SOMETHING THAT SHOULD BE STRONGLY CONSIDERED BY THE FOOD COMMITTEE IN ORDER TO SERVE AS OUR STUDENT AS BEST AS POSSIBLE. I THINK WE SHOULD HAVE MULTIPLE VENDORS OF DIFFERENT BRANDS AND DIFFERENT BUSINESSES AND DIVERSITY WITHIN OUR BRICK AND MORTAR PLACES, BUT WE NEED TO SUPPLEMENT THAT EVEN MORE BECAUSE WE CAN ONLY

21

HAVE SO MUCH DIVERSITY WITH 8 OR 9 LOCATIONS WITH TWO TAKEN UP BY FRANTONES SO THAT IS MY EXHORTATION TO THE COMMITTEE. I DON'T KNOW IF OTHERS WILL AGREE ON THE BOARD OR OTHERS BUT THAT IS MY THOUGHT THAT I WILL PUT OUT.

>> FOOD TRUCKS TEND TO BE CORRELATED WITH SMALL ENTERPRISE AND BUSINESS STARTUPS. ENTREPRENEURIAL.

>> AND LOCAL BUSINESSES TOO.  
>> WELL, MOBILE. WE DON'T KNOW EXACTLY-  
>> THAT'S TRUE.  
>> LOCAL TO LA COUNTY AT LEAST.  
>> BEING SOMEONE WHO WORKS ON A FOOD TRUCK LOCALLY I CAN SEE WHAT WE CAN DO ABOUT MAYBE MAKING IT HAPPEN IN THE FUTURE. WE FOOD TRUCKS IN THE PAST. NOT JUST IN AND OUT TRUCK BY THE WAY.  
>> I THINK MARK MAY HAVE SOMETHING TO SAY ABOUT THAT.  
[LAUGHTER] SO THINK IT SHOULD BE CONSIDERED AS A SEPARATE ITEM. IT IS FOR THE RETAIL LOCATIONS WE CURRENTLY HAVE AND THEN WE PROBABLY COULD DECIDE OF THE POSSIBILITIES OF THE FOOD TRUCKS SINCE FELIPE IS GETTING CLOSE TO THE MICRO PHONE I ASSUME IT HAS TO DO WITH INSURANCE AND LIABILITY, SO I'LL LET FELIPE GIVE US-  
>> AS MUCH AS I DO APPRECIATE FOOD TRUCKS MYSELF, THERE IS A MAJOR DIFFERENCE BETWEEN A UNIVERSITY AND UC YOU DO THEM QUITE A BIT ON UNIVERSITY AND 4 YEAR CAMPUSES. A LOT OF THE 4 YEAR CAMPUSES, THEY FOOD PRODUCT IS THEY ENCOMPASS REALLY A BROAD BECAUSE YOU HAVE A LIVING BODY STUDENT ON THERE SO THEY ARE ABLE TO CAPTURE A LOT MORE THE STUDENT. AT A COMMUNITY COLLEGE IT GETS DIFFICULT BECAUSE WE ARE A COMMUNITY COLLEGE. WE ARE A COMMUTER TYPE OF SCHOOL AND DON'T HAVE STUDENT WHO LIVE ON CAMPUS 24/7. MOST COMMUNITY COLLEGES I WON'T SAY ALL BUT I SAY A LARGE MAJORITY USUALLY HAVE ONE SOURCE VENDOR ON CAMPUS TO PROVIDE DIFFERENT TYPES OF FOOD PRODUCT ON CAMPUS. I'M NOT SAYING THAT IS A GOOD THING OR BAD THING, BUT MY POINT IS, MOST OF THOSE AGREEMENTS ALSO INCLUDE WHAT THEY CALL FIRST RIGHT OF REFUSAL BECAUSE AGAIN FOR THEM TO COME ON CAMPUS AND ALREADY HAVE TO COMPETE WITH CURRENTLY WE HAVE 8 LOCATIONS YOU CAN COMPETING WITH, 7 OTHER POTENTIAL VENDORS, THEIR PROFIT MARGIN GETS DWINDLED AND IT SOMETIMES DOESN'T ENTICE A LARGE PARTICIPATION IN THE RFP PROCESS. THAT JUST COMPLICATES IT MORE AND ON TOP OF THAT, IF WE SAY WE HAVE 8 LOCATIONS AVAILABLE, BUT BY THE WAY WE ALSO ARE BRINGING FOOD TRUCKS ALONG TO COMPETE WITH YOUR BUSINESS, THEY ARE TRYING TO CAPTURE AS MUCH OF THE 22 THOUSAND ON THE CAMPUS AS POSSIBLE, THE MORE PRODUCT AND BRING ON, THE MORE DIVERSE AND LIMITATIONS THEY ARE GOING TO BE ABLE TO AFFORD TO BE AND MAKE A LIVING ON CAMPUS. THAT JUST COMPLICATES THE PROCESS.  
>> I UNDERSTAND THAT. NOT SURE THERE IS ENOUGH MARKET DEMAND FOR ADDITIONAL RETAILERS?  
>> IT MAKES DIFFICULT. YOU START EXCLUDING OUT A LOT OF PEOPLE WHO REALLY THE INTENTION IS THEY WANT TO COME IN AND

22

CAPTURE THE ENTIRE POPULATION AND THAT MAKES SENSE, BUT AT THE SAME TIME WE ALSO WANT TO PROVIDE A DIVERSE VARIETY OF PRODUCT. ALL I'M SAYING IS IT COMPLICATES.

>> I UNDERSTAND IT COMPLICATES THE BUSINESS MODEL OF THE BRICK

AND MORTAR TO COME ON THE CAMPUS AND NOT SAYING IT HAS TO BE A EVERY DAY OR EVEN WEEKLY BASIS BUT SOMETHING STUDENT CAN LOOK TO ON FRIDAYS AND EMPLOYEES TO SAY WE WILL HAVE A FOOD TRUCK FROM THE LOBSTER CONTROL, COME IN AND PROVIDE THAT DIVERSITY JUST FOR THAT ONE DAY SO THAT- NOT SAYING WE SHOULD PUSH OUT THE VENDORS WE ARE TRYING TO GET IN NOW, THAT IS NEVER BEEN MY INTENTION IN WHAT I BROUGHT UP, JUST SAYING THE OPTIONS THAT ARE THERE SHOULD BE HIGHER THEN WE'VE EVER OFFERED BEFORE AND SHOULD NOT BE LIMIT TODAY THE FACT WE ONLY HAVE 8 VENDOR LOCATIONS. ONE OTHER IDEA THAT I'M GOING TO SHAMELESSLY STALE FROM BIOLA IS THEY HAVE THEIR OWN FOOD TRUCK AND THE UNIVERSITY PAYS FOR THEIR FOOD TRUCK TO GO ON TO CAMPUS AND GO TO THE OTHER PLACES SO I WOULD ASK THE CULINARY ARTS DEPARTMENT TO CONSIDER HAVING A FOOD TRUCK OF THEIR OWN THAT COULD NOT ONLY BE ON CAMPUS, BUT ALSO GO THROUGHOUT OUR COMMUNITY AND I NOMINATE OUR STUDENT TRUSTEE TO BE-

>> I SEE YOU LOOKING AT ME AND I WOULD HAVE TO TALK TO CHEF PERINNI OF COURSE BUT I DON'T WANT TO SAY NO. [LAUGHTER].

>> GREAT NON COMMITTAL.

>> THAT CAN BE A PERFECT WAY TO UTILIZE DURING ANY OF OUR SPORTING EVENTS, EASY TRANSPORTATION BECAUSE THAT IS ONE THING WE LACK HERE IS A QUALITY SERVICE FOR ANY SPECIAL EVENT, ANY OF OUR ATHLETIC EVENTS GOING ON BECAUSE MOST THE FOOD VENDORS ARE SHUT DOWN BY THAT TIME OR PEOPLE ARE WALKING FROM THE STADIUM TO CAMPUS TO GET A FOOD PRODUCT. THAT COULD BE A-THAT IS ALL I HAD TO SAY.

>> ALRIGHT. THANK YOU. WITHOUT ANY FURTHER COMMENTS OR CONCERNS OR OBJECTIONS, I WILL ENTERTAIN A MOTION TO RECEIVE AND FILE THE ITEM AT THIS TIME.

>> MOTION TO RECEIVE AND FILE.

>> WE HAVE A MOTION, IS THERE A SECOND?

>> SECOND.

>> WE HAVE A SECOND. IS THERE OBJECTION TO THE ADOPTION OF SAID MOTION? SEEING NONE, THE MOTION CARRIES. ITEM NUMBER 36 CONSIDERATION OF APPROVAL TO ESTABLISH A BOARD ADVISORY COMMITTEE TO REVIEW BOARD SELF-EVALUATION INSTRUMENT. FIRST QUESTION IS, DO WE WANT TO HAVE A BOARD COMMITTEE?

>> I HAVE A COUPLE OPTIONS TO FACILITATE YOUR DISCUSSION. THE FIRST ONE IS WHAT YOU JUST SAID, DO YOU WANT GUYS WANT TO DO THE LEG WORK AND PUT A COMMITTEE TOGETHER AND THE SECOND ONE IS, WILL THE WHOLE BOARD LIKE TO REVIEW A COUPLE OF DRAFTS THAT WE HAVE BEEN PUTTING TOGETHER WORKING WITH ANDREA TO BRING TO YOU AS A POTENTIAL MODIFICATION TO THE EVALUATION TOOL THAT ALIGNS WITH OUR NEW GOALS. SO, OPTION 1 IS WHAT TRUSTEE LEWIS JUST MENTIONED, YOU CAN GET A GROUP, THREE TRUSTEES AND LOOK AT THE WAY YOU WANT AND PROVIDE THE SUPPORT,

23

OR WE CAN BRING THE DRAFT OF COUPLE PIECES WE HAVE PUT TOGETHER, GET TO YOUR DIRECTION AND GET FEEDBACK FROM ALL YOU,



AND BRING TO PRESENT TO YOU AS A WHOLE BOARD.

>> DRAFT OF WHAT?

>> OF THE BOARD EVALUATION.

>> THE INSTRUMENT OR ALL THE QUESTIONS AND ALL OF THE THINGS ON THAT-

>> CORRECT.

>> IT ISN'T A LITERAL INSTRUMENT.

>> WHICH EVER OPTION YOU DO, IT IS OKAY, WE JUST THOUGHT WE PUT A COUPLE THINGS TOGETHER WHICH WE HAVE BEEN DOING MAY HELP YOU EXPEDITE, BUT IF YOU WANT TO TAKE A STAB AT IT AS A COMMITTEE, WE'LL PROVIDE THE SUPPORT AND YOU CAN ALSO DO THAT.

>> IS THERE ANY COMMENTS OR SUGGESTIONS FROM BOARD MEMBERS AS TO WHICH DIRECTION WE SHOULD GO WHETHER REVIEWED AS A COMMITTEE OF LESS THEN A QUORUM OF THE BOARD OR THE WHOLE BOARD ALL TOGETHER?

>> DO YOU WANT THE WHOLE BOARD? I'M READY TO NOMINATE A FEW FOLKS WHO ARE NOT HERE ACTUALLY. [LAUGHTER]

>> SEE WHAT HAPPENS WHEN YOU DONT SHOW UP?

>> WE HAVE THREE.

>> WE ARE HAVING WAY TOO MUCH FUN TONIGHT.

>> SO-

>> JUST REAL QUICK, DR. FIERRO, ON THE COMMITTEE WHAT IS THE TASK OF THE COMMITTEE TO MAKE RECOMMENDATIONS, TO COME BACK WITH CHANGES?

>> THE GOAL IS UPDATE THE TOOL TO REFLECT THE NEW INITIATIVES THAT WE ADOPTED AND WILL ADOPT ONCE WE ADOPT A NEW GOALS. BECAUSE AS YOU SAW WITH THIS LAST ROUND OF EVALUATIONS, WE HAVE GOT TOON THE POINT WE NEED TO MOVE TO THE NEXT STEP OF THE GOALS THAT WE HAVE, SO IF WE GO ANOTHER YEAR USING THE SAME TOOL WE PROBABLY WILL NOT MEASURE ACCURATELY WHAT WE ARE DOING SO IT IS TO UPDATE WATT WE HAVE OR COME WITH A NEW SYSTEM. EITHER WAY, BEING A NEW SYSTEM.

>> I'M OPEN TO SEE WHAT MY COLLEAGUES HAVE TO SAY.

>> DO ANY OF THE COLLEAGUES HERE HAVE COMMENT SAID OR CONCERNS BEFORE I VOICE MINE?

>> WHAT WOULD BE THE PROCESS THAT YOU WOULD PRESENT TO US IN OPEN SESSION-

>> UPDATED-

>> RELATE TODAY THE INSTRUMENT.

>> UPDATED INSTRUMENT THAT REFLECT THE MASTER PLAN, THE GOALS WE WILL ADOPT, AND AN IDEA HOW TO GRADE THEM. YOU WILL REVIEW IT AS A WHOLE BOARD. YOU WILL PROVIDE US FEEDBACK, WE TAKE IT BACK, INCORPORATE YOUR FEEDBACK AND BRING BACK TO YOU IN OPEN SESSION FOR FINAL APPROVAL OF THE WHOLE BOARD. THE DIFFERENCE WILL BE THE PROCESS PROBABLY WILL GO A LITTLE FASTER BECAUSE WE CAN PROVIDE THE DRAFTS EVERY TIME WE MEET. IF YOU ADOPT A SUBCOMMITTEE WE HAVE TO THEN SCHEDULE SEPARATE MEETINGS FOR THE SUBCOMMITTEE. THE SUBCOMMITTEE DEVELOPS SOMETHING, WE

HAVE TO BRING IT TO YOU, YOU PROVIDE THE FEEDBACK, THE SUBCOMMITTEE WILL MEET AGAIN, WE'LL DO THE MODIFICATIONS AND BRING BACK TO YOU FOR FEEDBACK. WE WILL END IN THE SAME PLACE, BUT PROBABLY BRINGING IT TO THE WHOLE BOARD IS FASTER IF WE WANT TO DO THAT A LITTLE FASTER.

>> I WOULD AGREE HAVING A SUBCOMMITTEE LOOK AT IT IS GOING TO EXTENDED THE TIME THAT IT TAKES FOR US TO ACTUALLY ACCOMPLISH WHAT WE ARE TRYING TO DO AND WOULD THINK TAKES MORE STAFF TIME THEN NECESSARY THEN TO HAVE JUST A FEW LOOK AT IT AND THEN A BUNCH OF US LOOK AT IT AT THE SAME TIME. I THINK THAT KIND OF PROCESS IS MORE NECESSARY FOR SOMETHING OF A HIGHER CALIBER LET'S JUST SAY, LIKE SAY HIRING A NEW SUPERINTENDENT BACK WHEN WE HAD TO DO THAT. I THINK THAT'S WHEN SUBCOMMITTEES SHOULD BE USED AND IMPLEMENTED, BUT FOR SOMETHING AS A BOARD SELF-EVALUATION WHILE IMPORTANT, IT IS NOT OF THAT SAME KIND OF CALIBER, SO I RECOMMEND THAT WE REVIEW THAT AS A WHOLE BOARD RATHER THAN JUST AS SUBCOMMITTEES. THAT SOUND GOOD?

>> SOUNDS GOOD.

>> OKAY. ANY OBJECTION TO THAT?

>> NO OBJECTION.

>> WE DO NOT NEED TO ESTABLISH A BOARD ADVISORY COMMITTEE BECAUSE WE OURSELVES ARE THE BOARD.

>> WE'LL BRING YOU THE FIRST DRAFT ON AUGUST 15. THAT IS THE NEXT BOARD MEETING.

>> OKAY. SOUNDS GOOD. WITH THAT SQUARED AWAY WE MOVER TO THE REPORTS AND COMMENTS FROM DISTRICT OFFICIALS STARTING WITH STUDENT TRUSTEE.

>> THANK YOU. SO, THIS MORNING ACTUALLY CHRISTOPHER RODRIGUEZ AND MYSELF GOT TO MEET WITH NATOYA MILLER DIRECTOR OF ALUM RELATIONS TO CREATE THE TWO POSITIONS OF THE ALUMNI ASSOCIATION I THINK TWO YEARS AGO NOW. CHRIS AND WILL BE WORKING CLOSELY WITH NATOYA IN THE FUTURE IN THE NEXT COMING MONTHS TO EXPAND AWARENESS OF A MENTORSHIP PROGRAM THEY ARE DEVELOPING. THAT WOULD BE TO BRING ALUMNI FROM THE SCHOOL TO BACK TO THE SCHOOL TO MENTOR STUDENT THAT HAVE SIMILAR MAJORS OR SIMILAR PURSUITS AS FAR AS CAREER GOALS GO. SO THAT IS SOMETHING THAT I KNOW CHRIS AND I CONTACTED THE PRESIDENT OF ASCC WILL BE WORKING ON. BESIDES THAT, AS SOON AS FALL SESSION STARTS I WILL TAKE THE FOOD TRUCK IDEA TO CHEF PERINNI TO SEE WHAT HE THINKS. BESIDES, THAT IS ALL HAVE.

>> THANK YOU. TRUSTEE AVALOS.

>> I DON'T ANYTHING TO REPORT ON BUT JUST WANTED TO MAKE REQUEST TO END THE MEETING IN MEMORY OF A SOUTH GATE RESIDENT. I KNOW MANY HEARD ABOUT HIM, HIS NAME IS JOSEPH MACIA FROM SOUTH GATE. A 19 YEAR OLD WHO WAS KILLED IN AFGHANISTAN. HIS BURIAL WAS THIS MORNING SO LIKE TO HAVE THAT ADJOURNED. I KNOW HIS FAMILY WOULD APPRECIATE THAT.

>> THANK YOU. DR. LIU.

>> I TOOK 18 STUDENT TO TAIWAN. JUST GOT BACK LAST NIGHT AT 1:30 A.M. AND WENT TO WORK AT 6. VERY TIRED, BUT IT WAS VERY

EXCITING. STUDENT ARE WORKING VERY HARD AND THEY SEEM VERY HAPPY. I WILL SHOW YOU SOME PHOTO AND VIDEO IN THE FUTURE AND I BROUGHT YOU CANDIES, HOPEFULLY YOU LIKE IT. THANK YOU.

>> THANK YOU. DR. FIERRO.

>> I LIKE TO SAY HELLO TO RAUL AVALOS, HE IS WATCHING THE BOARD MEETING FROM TAIWAN SO GUESS HE DIDN'T GET ENOUGH THE LAST YEAR.

>> HE JUST TEXT ME AND SAY HE WILL WATCH SO SORRY RAUL, WE MISS YOU.

>> WHAT TIME IS IT THERE?

>> 6 A.M.

>> VICE PRESIDENT LOPEZ MENTIONED THE SUMMER HAS BEEN VERY GOOD. WE WERE ABLE TO MAKE UP THE DIFFERENCE IN ENROLLMENT, FOR A LITTLE WE WERE CONCERNED BUT WE END UP 17.799 WHICH IS CLOSE ENOUGH TO 17.8 HUNDRED WE WERE PROJECTED AND THE GOOD WORK FELIPE HAD DONE AND PROJECTIONS AND SOMETHING HE SAID BEFORE HE FINISHED THE PRESENTATION THIS IS A NEW INSTITUTIONAL EFFORT SO THE ABILITY WE HAD TO MAINTAIN ENROLLMENT EVEN THOUGH THE FLAT DOESN'T SOUND GREAT IT IS GREAT IN A ENROLLMENT DECLINE ACROSS THE STATE SO WE HAVE NOT LOST GROUND, BUT THAT IS NOT BECAUSE OF ONE PERSON, THAT IS BECAUSE EVERYONE ON CAMPUS AND I THINK OVER THE LAST FEW YEARS WE CONTINUED TO MAKE A SIGNIFICANT EFFORT AS A CAMPUS TO MOVE FORWARD TO ADVANCE STUDENT SUCCESS, COMPLETION, AND THE OUTCOMES WE ARE SEEING ARE THE RESULT OF A JOINT EFFORT. A RESULT OF THE WORK THAT EVERYONE ON CAMPUS HAS BEEN DOING. NOW, OBVIOUSLY THE BAR HAS BEEN RAISED BASED ON THE FUNDING FORMULA AND IT SEEMS LIKE IT IS BLANK CHECK SO THINK WE SHOULD WORK HARD TO BE ABLE TO CAPITALIZE ON THE FLEXIBILITY OF THE FUNDING FORMULA AND NOT ONLY BECAUSE INCREASE THE REVENUE BUT BECAUSE IT IS THE RIGHT THING TO DO FOR OUR STUDENT I THINK. MANY STATES HAVE DONE PERFORMANCE FUNDING, AND NOT MANY HAVE SEEN CHANGES, HOWEVER, THE WAY WE ARE DOING IT IS UNLIKE ANY OTHER STATE, SO I'M NOT SAYING OURS IS THE BEST WAY, AT LEAST IT IS DIFFERENT AND WE CAN TRY TO MAKE A DIFFERENCE BY CHANGING THE WAY DO. I KNOW WE ARE CAPABLE OF DOING THAT. WE HAVE WHAT I ARGUE IS THE BEST ORGANIZATION AND COMMUNITY COLLEGE IN THE STATE OF CALIFORNIA RECOLLECT SO WE JUST NEED TO SIMPLY CONTINUE TO ALIGN THE EFFORTS THAT WE HAVE BEEN MAKING OVER THE LAST FEW YEARS TO INCREASE THE GRADUATION AND COMPLETION AND WE SHOULD BE OKAY. AS FELIPE MENTIONED THIS IS A CHANGE IN CULTURE AND INSTITUTIONAL EFFORT, IT ISN'T SOMETHING THAT IS ONLY DONE BY FACULTY OR ONLY DONE BY STAFF OR ONLY DONE BY ADMINISTRATORS, I THINK THE STATE AND LEGISLATORS GOT SMART AND SAY, WE WILL PLAY A TRICK ON YOU, YOU HAVE TO WORK TOGETHER IF YOU WANT TO ACCESS THIS FUNDING AND THINK THIS FORMULA IS MOVING IN THE DIRECTION WE HAVE TO WORK CLOSELY TOGETHER TO BE SUCCESSFUL. WE CANNOT WORK IN SILOS IF WE WANT TO CONTINUE TO BE SUCCESSFUL. THANK YOU FOR THE WORK THAT HAS BEEN DONE AND THANK YOU FOR EVERYONE PUSHING

IN THE SUMMER TO HIT OUR TARGETS AND HOPE EVERYONE HAD A FEW DAYS AT THE LEAST TO RELAX OR HAVE A FEW DAYS TO RELAX BEFORE ANOTHER SEMESTER.

>> THANK YOU. TRUSTEE CAMACHO-RODRIGUEZ.

>> NOTHING TO REPORT.

>> TRUSTEE BIRKEY.

>> NOTHING TO REPORT I WILL ECHO PRESIDENT FIERRO'S COMMENTS. THIS NEW FORMULA IS VERY ENCOURAGING NOT JUST BECAUSE WE GET A LITTLE MORE MONEY BUT IT SEEMS TO ALIGN WITH WHAT WE AS A COLLEGE SEEN AS PRIORITIES FOR A LONG TIME, WHICH ARE THE SUCCESS OF STUDENT AND PARTICULARLY THE INCLUSION AND ALSO THE SUCCESS OF STUDENTS WHO NORMALLY DON'T HAVE AS MUCH ACCESS TO HIGHER EDUCATION. AND SO, I'M REALLY ENCOURAGED THAT THE STATE DEVELOPED A ECONOMIC MODELING AND FUNDING SYSTEM THAT LOOKS TO INCENTIVIZE THESE PRIORITIES. I KNOW PRESIDENT FIERRO HAS BEEN TALKING ABOUT THAT FOR QUITE SOME TIME BUT ENCOURAGING TO SEE IT ACTUALLY FINALIZED.

>> JUST A COUPLE OF THINGS. I ATTENDED THE ALUMNI MIXER WE HAD ON CAMPUS AND THANK YOU TO NATOYA MILLER PUTTING THAT TOGETHER AND I HAD THE PRIVILEGE AND HONOR INTRODUCING MY PARENTS WHO AS YOU MAY OR MAY NOT KNOW BOTH WERE AND ARE CERRITOS COLLEGE ALUM, AND IT IS DEFINITELY BEEN A PRIDE AND HONOR OF ME TO CELEBRATE THEIR SUCCESS THAT HAS BEEN ABLE TO FORM ME INTO THE PERSON I AM TODAY AND I CAN DO WHAT LITTLE I CAN TO GIVE BACK FROM THIS SIDE OF THE DIOCESE. SO THANK YOU TO MY PARENTS I THANK YOU TO NATOYA FOR PUTTING THAT TOGETHER. LOOKING FORWARD TO AUGUST 6 TO THE ANNUAL GOLF TOURNAMENT SO IF YOU HAVE NOT SIGNED UP OR IF YOU EITHER FOR THE TOURNAMENT OR FOR THE DINNER, OR AT THE VERY LEAST A TEE SIGN RENEWAL FOR ANY OF OUR BOARD MEMBERS THAT WOULD LIKE TO PARTICIPATE IN THAT AS IS CUSTOM, PLEASE DO SO. WITHOUT ANY FURTHER THINGS ON THAT, WE WILL MOVE ON TO CLOSED SESSION. BEFORE 9 O'CLOCK, IMAGINE THAT.

>> YOU NEED TO DO IT MORE CONSISTENTLY.

>> THIS IS A TEAM EFFORT, CARMEN. EXTENSION OF EMPLOYMENT CONTRACT OF DIRECTOR OF HUMAN RESOURCE AND RISK MANAGE: CONSIDERATION OF EMPLOYMENT OF SECTOR NAVIGATOR FOR ADVANCED TRANSPORTATION AND LOGISTICS. 2018-19 GOALS AND 20, CONFERENCE WITH LABOR NEGOTIATORS. IF THERE ARE NO PUBLIC COMMENTS-WE WILL HAVE TWO READ-OUT ITEMS AND WITHOUT PUBLIC COMMENT WE'LL MOVE INTO CLOSED SESSION AND HAVE THE TWO READ-OUTS FOR YOU AT THE END. THANK YOU.

[CLOSED SESSION]

>> ONE OF THIS IS EXTENSION THE EMPLOYMENT CONTRACT FOR DIRECTOR OF HUMAN RESOURCES AND RISK MANAGEMENT REPORTED THE BOARD OF TRUSTEES APPROVED A AMENDMENT FOR EMPLOYMENT OF MRS. NANCY BUVENGER OF DIRECTOR OF HUMAN RESOURCES AND RISK MANAGEMENT TO EXTEND EMPLOYMENT JULY 1, 2018 TO JUNE 30, 2019. TEMPORARY EMPLOYMENT FOR ADVANCED TRANSPORTATION AND REPORTED

IN CLOSED SESSION THE BOARD OF TRUSTEES APPROVED THE CATEGORICALLY FUNDED OF JANICE MALAGE FOR TRANSPORTATION AND LOGISTICS EFFECTIVE JULY 2018. THE VOTE WAS 5 AND 0. WITH THAT, THERE ARE NO FURTHER READ-OUTS AND WE'LL CONTINUE WITH OUR OTHER TWO ITEMS IN CLOSED SESSION. THANK YOU.  
[CLOSED SESSION CONTINUED]

