**Los Angeles Community College District**

 **District Budget Committee Meeting Minutes**

 January 22, 2014

 1:30-3:30 p.m., Board Room, District Office

**Roll Call** X Indicates Present

 **Academic Senate** **L.A. Faculty Guild**

 David Beaulieu X Joanne Waddell X

Joseph Perret Olga Shewfelt X

 Dana Cohen Sandra Lee X

 Jeff Hernandez X John McDowell \* X

 Lauren McKenzie Armida Ornelas X

Allison Moore X Rudy Ordonez X

 **Unions/Association** **College Presidents**

 Selina Chi X Nabil Abu-Ghazaleh

 Galen Bullock X Kathleen F. Burke\* X

 Lubov Kuzmik Alma Johnson-Hawkins \*\* X

Leila Menzies Yasmin Delahoussaye\* \* X

 James Bradley Larry Frank X

 Velma Butler Farley Herzek\*\* X

 Richard A. Rosich Marvin Martinez X Renee Martinez X

 Monte Perez X

 **Student Trustee Rep**

LaMont Jackson

 \* DBC CO-chairs

 \*\* Interim

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**Also Present**

**Resource Persons Guests**

 Adriana Barrera X Mary Gallagher X

 Jeanette Gordon X Daniel Villanueva X

Cathy Iyemura X Anil Jain X Sandra Crespo X Rolf Schleicher X

Vinh Nguyen X Ann Tomlinson X

 Ken Takeda X

 Tom Furukawa X Maureen O’Brien X

 Ferris Trimble X

 Violet Amrikhas X

 Jamil Ahmad X

1. **Call to Order** by DBC Co-Chair Dr. Kathleen F. Burke at 1:35 pm.
2. **Agenda** approved as presented
3. **Approval of November 13, 2013 –** Minutes of November 13, 2013 were approved with corrections to section 4, page 2, to add as a first sentence to the last paragraph: “These positions should not be all approved”, and on page 3 with grammatical correction “…reduction of general reserve as needed to pay for these positions” in the motion to fund four (4) positions in facilities.
4. **DBC Self Evaluation for 2012-13 Year (Action Item)**

**M/S/P** - approved with one correction to add “members” to Recommendation # 5 in the section Recommendations for Improving Committee Process/Efficiency.

1. **2014-15 Governor’s Budget Proposals**

Jeanette Gordon provided a brief summary of the Governor’s state budget proposal for Community Colleges:

* Proposition 98 Guarantee for K-14 estimated at $61.6 billion – 11.4 % increase and an additional $3.3 billion one-time money to pay down debt/deferrals
* Access - $155.2 million to fund a 3% restoration/growth -- there are concerns among other districts that too much money for growth and are discussions at the state level to reduce the funding for enrollment growth
* COLA - $48.5 million or 0.86%
* Student Success - $200 million to support student success programs ($100 million) and for underrepresented students ($100 million)
* Deferred maintenance and Instructional Equipment - $175 million
* Deferrals pay down - $235 million in budget years and $358 million proposed in one-time fund to complete payoff deferrals
* Proposition 39 -- $39 million for energy efficiency projects
* No student fee increase

For LACCD:

* Access - $13 million for a 3% enrollment growth
* COLA - $4.1 million or 0.86%
* Student Success – Approximately $15 million
* Deferred Maintenance and Instructional Equipment - $14 million
* Deferrals - $72 million to completely payoff deferrals
* Proposition 39 - $3 million
* RDA backfills – estimated at $4 million for FY 2013-14 and $3.5 million for FY 2014-15

There were discussions about categorical program flexibility changes, RDA backfills, Adult Education, and student equity funding for achieving gap. There is no specific methodology to distribute the $100 million student equity funds. Concerns about money to support underrepresented students should not become the back door for performance funding.

There were some additional discussions about potential access/growth funding, some districts having difficulty in growing in the current year. There were suggestions that the District and colleges should advocate to maintain the growth funding level in the Governor’s proposal and plan to grow campus by campus for getting the growth dollars.

1. **Enrollment Update (Cathy Iyemura)**

First Period FTES projection reported 101,457 to the State Chancellor’s Office on January 15, 2014. The District is over by 2,888 FTES credit FTES above the 1.63% state funded growth cap and about 1,000 FTES above the District’s enrollment target of 3.63%. At this point, one college plans to use Summer 2014 enrollment to meet its enrollment target; other colleges are trending to achieve their enrollment target of 3.63%. For Spring 2014, colleges are scheduled for 6% more sections than last Spring; trending 3% up on headcounts, and 1% up on enrollment.

There was discussion about funding for over-cap above the 3.63% target if the District receives more than a 1.63% funded enrollment growth from the State.

1. **FON Subsidy (Jeanette Gordon/Dr. Barrera)**

Jeanette reported the FON subsidy for 2013-14 at $910,000 for 26 new faculty hires at $35,000 for each new hire above the replacements. Dr. Barrera reported that the District has reported the FON of 1451 and FON Obligation for Fall 2013 was 1421.

Members requested for FON update and planning target information be provided at the next DBC meeting

1. **2014-15 Proposed Preliminary Budget Allocation**

The District’s Proposed Preliminary Planning Allocation is based on the Governor’s State Proposed Budget released on January 10, 2014:

**Revenue Assumptions**

New revenues: $536 million:

* COLA – 0.86 %
* Enrollment Growth – 3% for projected FTES needs at 101,426
* EPA - $65.69 million
* Lottery Revenue – estimated at $12.3 million
* Part-time Faculty Compensation - $2.2 million
* Nonresident Tuition - $11.3 million
* Dedicated Revenue - $6.8 million
* Other State Revenue - $1.65 million

$66 million projected balance, not distributed to colleges at this time

**Allocations:**

* Total Budget - $602 million
* College Allocations - $411.39 million
* Centralized Services Accounts - $50.6 million
* District Office - $23 million and Information technology - $10 million
* General Reserve - $34.7 million (6.5%)
* Contingency Reserve - $18.7 million (3.5%)
* Deferred Maintenance Reserve - $5.36 million (about 1%)

There were concerns that colleges have not received funding to cover the 1.43% salary increases and the sources of funding in current year. It was indicated that the funding will be provided with the anticipated RDA backfills. It was requested that the estimated amount of 1.43% salary increase for each college be provided.

It was also suggested that details of the college reserves as part of the General Reserve and Contingency Reserve should be provided for information.

Members were concerned about the District’s Contingency reserve item the Board Budget and Finance Committee

**M/S/P** - To request to the Chair of the Budget and Finance Committee that  ~~Contingency~~ Reserves as a topic for discussion be placed on the Budget and Finance Committee agenda.

1. **Committee Report (Jeanette Gordon)**

Jeanette Gordon reported that the Budget and Finance Committee opposed the DBC recommendation to fund 9 positions from the Contingency Reserve. The Board only voted to fund the Associated Vice Chancellor of Human Resources.

There was discussion on the level of reserves and providing more money to colleges. There was suggestion to create some type of enrollment growth incentive funds to convince the Board to loosen up some of the reserve money.

1. **Other Business –** The request for the Reserve topicto be placed on the Budget and Finance Committee will be forwarded to the Chancellor.

The meeting was adjourned at 3:30 pm.

 *Future Meetings: Feb. 19, March 19, April 16, May 21, and June 18*

*(Note: the meeting originally scheduled for April 23 was changed to April 16)*