

**Los Angeles Community College District**

**District Budget Committee Meeting Minutes**

May 20, 2015

1:30-3:30 pm, Board Room, Educational Services Center

**Roll Call**    X Indicates Present

**Academic Senate**

David Beaulieu	X
Joseph Perret	X
Leslie Milke	X
Jeff Hernandez	X
Donald Gauthier	X
Vacant	

**L.A. Faculty Guild**

Joanne Waddell	X
Olga Shewfelt	
Sandra Lee	
John McDowell *	X
Armida Ornelas	X
John Sikora	X

**Unions/Association**

Luis Dorado	X
Hao Xie	X
Kathleen Becket	X
Leila Menzies	
Velma Butler/Shirley Chen Page	
Richard A. Rosich	
Kathleen Becket	

**College Presidents**

Renee Martinez	
Marvin Martinez*	X
Otto W. Lee	X
Monte Perez	X
Kathleen F. Burke	X
Linda D. Rose	X
Larry Frank	X
Erika A. Endrijonas	X
Nabil Abu-Ghazaleh	X

**Student Trustee Rep**

Sami Sandhu

\* DBC CO-chairs

\*\* Interim

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**Also Present**

**Guests**

**Resource Persons**

Adriana Barrera	X
Jeanette Gordon	
Maury Pearl	X
Bobbi Kimble	X
Vinh Nguyen	X
Chancellor Francisco Rodriguez	
Albert Roman	

Mike Lee	X
John Al-Min	X
Ann Tomlinson	X
Dan Walden	X
Bob Suppelsa	X
Ferris Trimble	X
Vi Ly	X
Violet Amrikhas	X
Indiana McClellan	X
Rasel Menendez	X

1. **Call to Order** by DBC Co-Chair Mr. Marvin Martinez at 1:45 pm.
2. **M/S/P Agenda** approved as presented with one change – Tabled Agenda Item #4 – DBC Co-chair Election (Faculty) to next DBC meeting.
3. **M/S/P Approval of Minutes** – Minutes of April 22, 2015 were approved with one minor grammatical correction on page 4.
4. DBC Co-Chair Election (Faculty) - **M/S/P** – Tabled DBC Co-chair Election (Faculty) to next DBC meeting.
5. **Chancellor’s Remarks/Updates** – None
6. **May Revise (Nguyen)**

Nguyen distributed the Governor’s May Revise released on May 14, 2015 and reported that the combined proposed budget would provide over \$600 million in additional revenue above the Governor’s proposed budget in January. Funding for Proposition 98 in FY 2015-16 is at \$68.4 billion. COLA is adjusted down from 1.58% to 1.02%, and funding for access/growth is up to 3% from 2%.

**Major Highlights in May Revision for Community Colleges:**

**Apportionment**

- \$61 million for COLA (1.02%) => LACCD = \$5.18 million
- \$156.5 million for Access/Growth (3%) => LACCD = \$14.32 million
- \$266.7 million increase in base allocation funding => LACCD = \$22 million
- \$75 million funding for full-time faculty hiring => LACCD = \$6.5 million
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**Other Additional Funding**

- \$60 million in one-time funding for Basic Skills and Outcomes Transformation Program => LACCD = \$5 million
- \$15 million increase for Student Equity Plan funding => LACCD = \$1.2 million. This brings the total to \$215 million of Proposition 98 General Fund for CCC to improve and expand student success programs and to strengthen efforts to assist underrepresented students => LACCD = increase \$8 m for Student Success and \$9.2 million for Student Equity
- \$148 million for Deferred Maintenance - no matching is required => LACCD = \$14 million
- \$626 million to pay down outstanding mandates => LACCD = \$50 million
- \$825,000 decrease in funding for Proposition 39 for total of \$38.7 million => LACCD share of \$38.7 million = \$3.3 million
- \$2.5 million to fund COLA for categorical programs

There was discussion about how often the state revises the growth funds. It was indicated that the State Chancellor’s Office revises state apportionment including growth funds based on the District’s Attendance Accounting Reports. Questions were raised on how the State will distribute \$75 million

for full-time faculty hiring fund and how the additional numbers of faculty hires will be required. \$75 million of full-time faculty hiring fund will be distributed based on FTES and the calculation of additional FON is still unknown and pending.

## **7. Enrollment Update (Pearl)**

The 2014-15 2<sup>nd</sup> Period FTES Report (April 20, 2015) showed that the District is projecting a 4.77% enrollment growth (total of 104,258 FTES), which is over the District's 4.75% target. City College experienced a decline in enrollment. Members were pleased with colleges' efforts in increasing advertising, recruitment, and outreach to achieve the enrollment target. There were discussions about summer offerings. All colleges are open for summer, and five colleges will report some Summer FTES to meet their targets. Four colleges will push all of their summer FTES into 2015-16.

Maury Pearl also presented the 2015-16 FTES growth/needs scenarios of 3%, 4%, and 5% planning growth targets. He indicated that he is discussing possible next year planning enrollment targets with colleges at the 3<sup>rd</sup> quarter meetings. It was urged that colleges begin reviewing the scenarios of planning another 2% or 3% over-cap above 3% state funded growth. There are growth dollars available for the District to capture next year.

## **8. Board Budget and Finance Committee and ECDBC Committee Report and Recommendations (Gordon)**

Nguyen reported that the Board Budget and Finance Committee, on June 10, 2015, reviewed the Chancellor's Recommendation on the proposed uses of the projected \$45 million additional new state revenue (\$11 million increase in base allocation funding, \$4.2 million for enhanced noncredit rate increase, and \$30 million of state mandate reimbursements).

The recommended uses of the projected \$45 million were identified for ongoing and one-time uses. Detailed information of the justification and linking of the budget planning recommendation priorities and initiatives to the District planning Strategic Plan and Board goals was provided. The proposed recommendations include:

- \$10 million special reserve to fund colleges for future budget shortfalls (DBC, 4/22/15)
- \$4.2 million for enhanced noncredit rate increase
- \$4 million for STRS/PERS contribution increase
- \$8 million for an estimated salary increase of 2% above COLA & growth for FY 2015-16
- \$10 million for deferred maintenance and instructional support
- \$1 million for accreditation planning activities
- \$3.9 million for SIS completion project
- \$2.5 million for ESC electrical system upgrade, alleyway improvement, and network connection for disaster recovery
- \$250,000 for West LA College's startup BA degree pilot program
- \$250,000 for professional development and leadership succession
- \$1.06 million remaining funds to be distributed to colleges for general operating expenses

The Board Committee discussed the need for colleges to plan for improving remedial education. 80% of our students need basic skills and remedial education. How are we supporting and budgeting to meet these needs? The Board Committee also required a more comprehensive cost history of the

SIS project completion funding request for further review before approving the Chancellor's and the DBC's recommendations. Dr. Barrera testified that the funding request for SIS project completion is to fund non-bond eligible expenditures. The SIS project will have two more years before it goes live. Additional funding from general operating funds and/or financing will be needed to cover non-bond eligible costs to complete the project in the next few years. The Board Committee took no action on the Chancellor's recommendations pending more complete follow-up information on the SIS costs.

The DBC discussed further the \$10 million set aside for future budget shortfalls, \$250,000 for professional development, and the accreditation planning activities. In light of additional funding from the State, up to \$76 million from \$45 million, The DBC recommended that the ECDBC review new proposed initiatives in the Chancellor's Recommendations and report back to the DBC for further consideration.

No ECDBC meeting last month. The ECDBC continues working on reviewing the budget allocation, campus safety, and student equity funding formula.

## **9. 2015-16 Proposed Tentative Budget (Nguyen)**

The proposed 2015-16 Tentative Budget is based on the Governor's May Revise budget proposal, which includes a 1.02% COLA, a 3% enrollment growth fund, and \$6.5 million funding for full-time faculty hiring. The Tentative Budget also includes a 6.5% General Reserve and a 3.5% Contingency Reserve.

Total proposed Tentative Budget Allocation for general operations is \$708.73 million. The Chancellor's Recommendations for the \$45 million new state revenue will be incorporated in the Final Budget when approved and adopted by the Board.

**M/S/P** – approved 2015-16 Proposed Tentative Budget as presented with 2 Abstained and 1 No.

## **10. DBC Recommendations to the Chancellor**

- ✓ 2015-16 Tentative Budget

## **11. Items requested from DBC members to ECDBC**

- ✓ Enrollment Management Practices
- ✓ Safety and Sheriff's Contract
- ✓ Student Equity Funding
- ✓ Evaluation of Budget Allocation Model
- ✓ Integration of Planning and Budget

The meeting was adjourned at 3:15 pm.

*Future Meetings: June 17.*