

# Los Angeles Community College District

## District Budget Committee Meeting Minutes

May 21, 2014

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

### Roll Call X Indicates Present

#### **Academic Senate**

David Beaulieu	X
Joseph Perret	X
Dana Cohen	X
Jeff Hernandez	X
Lauren McKenzie	
Allison Moore	

#### **L.A. Faculty Guild**

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

#### **Unions/Association**

Allison Jones/Selina Chi	X
Galen Bullock	
Lubov Kuzmik	
Leila Menzies	
James Bradley	
Velma Butler	
Richard A. Rosich	

#### **College Presidents**

Renee Martinez	
Marvin Martinez	X
Farley Herzek**	X
Monte Perez	X
Kathleen F. Burke*	X
Yasmin Delahoussaye**	X
Larry Frank	
Alma Johnson-Hawkins**	X
Nabil Abu-Ghazaleh	

#### **Student Trustee Rep**

LaMont Jackson

\* DBC CO-chairs

\*\* Interim

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#### **Also Present**

##### **Resource Persons**

Adriana Barrera	X
Jeanette Gordon	X
Cathy Iyemura	X
Bobbi Kimble	X
Vinh Nguyen	X
Maury Pearl	X

#### **Guests**

Rolf Schleicher	X
Mary Gallagher	X
Amil Ahmad	X
Violet Amrikhas	X
Ann Tomlinson	X
Ken Takeda	X
Hubert Lee	X
Dan Walden	X
Ferris Trimble	X

1. **Call to Order** by DBC Co-Chair Dr. Kathleen F. Burke at 1:40 pm
2. **M/S/P Agenda** approved as presented
3. **Approval of Minutes** – Minutes of April 16, 2014 were approved with no change.
4. **DBC Co-chair Election (Administration)** – President Marvin Martinez of the East Los Angeles College was nominated and elected unanimously for a two-year term DBC co-chair beginning July 1, 2014.
5. **May Revise (Jeanette Gordon)**

Jeanette Gordon reported that Governor released his May Revision for FY 2014-15 State Budget Proposal on May 13, 2014. She identified major changes to the Governor's initial Proposal in January:

- Adjustments to Growth and COLA – a decrease from 3% to 2.75% for enrollment growth and a decrease in the COLA from 0.86% to 0.85%;
- A complete pay down of state apportionment deferrals of \$592 million;
- Maintain \$200 million increase for student success programs and student equity to expand student success program and to strengthen efforts to assist underrepresented students;
- \$50 million is added to the Economic and Workforce Development Program on a one-time basis;
- \$148 million for deferred maintenance and local match is not required; and
- \$42.4 million is added to offset decreases in local property tax and fee revenue estimates for the 2014-15 year.

The May Revision also proposed increasing the funding rate for Career Development and College Preparation course to the rate for credit courses beginning FY 2015-16. The Governor will push back the implementation of a revised growth formula until the 2015-16 fiscal year.

#### **6. Districtwide/College Strategic Planning and Budget Planning for FY 2014-15 (Discussion-Bobbi Kimble)**

Vice Chancellor Bobbi Kimble provided a brief presentation and summary of the District Planning and Accreditation Committee (DPAC) actions and desired outcomes. She discussed about the needs for the different district shared governance planning committees interact with each other and link back to the District Strategic Plan. She explained the needs for the DPAC to have a dialogue with the DBC to review **DSP (district Strategic Plan) Goal 3, Organizational Effectiveness**, and **DSP Goal 4, Resources and Collaboration**. The desired outcomes are for the DBC review to show that DBC recommendations are linked to District Plan and the DBC can help identify and resolve gaps in the District Strategic Plan (Goals). In addition, these goals may be needed to enhance and update to bring them to meet current processes and district needs.

Members further discussed and identified several activities that can be linked to the DSP Goals:

1. Committee annual self-evaluation process, budget recommendations/decisions, DBC minutes that can be linked to DSP Goal 3, Objective 2.1 Committee Effectiveness;
2. Budget Development Process – tracking on annual basis, placing on agenda for discussion, and recommendations for process improvements/efforts;
3. Allocation of various resources and reviewing or altering of allocation formula;
4. Districtwide surveys as tool in evaluating of meeting the DSP Goals;
5. District Office Funding and operation effectiveness;
6. Processes used to identify budget needs, quarterly reports; and
7. Be able to indicate that annual review of processes for improvements.

## **7. Second Period Report and Enrollment Planning Targets for FY 2014-15 (Cathy Iyemura)**

Cathy Iyemura reported that the Second Period Accounting Reporting to the State on April 21, 2014, is projected for the District total at 101,550 for FY 2013-14 with credit FTES at 96,597 FTES and noncredit FTES at 1,939 FTES, and enhanced noncredit FTES at 3,014 FTES. Credit FTES will exceed the 1.63% growth over-cap by over 1,000 FTES. For Summer reporting, East LA, Harbor, Mission, and Southwest Colleges will not be reporting their summer enrollment FTES in current year 2013-14.

She also provided the 2014-15 enrollment planning consideration scenarios at 2.75%, 3%, and 4% for discussion. Members discussed using similar strategy to fund over-cap internally to capture additional growth revenue if other districts could not grow. Discussions were also focused on the State-wide system, which may not be able to grow at a 3% and the State Chancellor's Office supporting a 2% funded growth revenue instead.

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

### **a. Board Budget and Finance Committee Report**

Jeanette Gordon reported that the colleges with a deficit (Valley, Southwest, and City), reported their college financial status and corrective plans to the Budget and Finance Committee on May 14, 2014. Valley College reported a \$2.08 million deficit and reported their five-year enrollment and budget plan. Their plan was aggressive and may be difficult for them to balance their budget. City College projected a deficit of \$945k because of their high and unusual utilities costs and will need to fund hourly (hourly what??) to meet the enrollment targets. Southwest College reported a \$415k deficit and their plan to their balance. Southwest College has completed negotiations with Sheriff department to reduce cost and reported to the Board their significant higher share (7.8% of their budget) of the Sheriff's Contract compared with the District's average of 3.7%. Harbor College projected a \$203k deficit.

The DBC Committee discussed possible use of additional funds for enrollment growth and reserve funds, which can be distributed to colleges to provide more funding.. There was discussion about (delete space here...I cannot delete)Southwest College needs 6,000 FTES to balance its' budget and

will allow the college to grow at a faster rate. Dr. Yasmin Delahoussaye pointed out that the Sheriff's contract has disproportionately paid a higher share (7.8%) and she indicated that she has requested the CFO and the Chancellor to look into this issue and augment the college for \$644k for the disparity. **M/S/P (Olga Shewfelt/ Marvin Martinez)** - ECDBC will develop a plan for the District's Planning Enrollment Growth Target Plan similar to the current year with a plan to increase the rate of growth for Southwest College.

Further discussions were on funding a districtwide budget for public safety to mitigate having Southwest College or any other colleges to pay the disproportionate Sheriff's Contract costs. Some members raised concerns about making changes to the budget allocation formula, when the allocation formula is only implemented for two years. Some members advocated public safety should be looked at as a district.

**M/S/P (Jeff Hernandez/David Beaulieu)** – How to charge public safety costs will be reviewed by ECDBC and reported back at the next DBC meeting.

#### **b. ECDBC Committee Report and recommendations**

Salary and Benefit Costs vs. Allocation Study requested from the DBC at the last meeting were distributed through email.

#### **9. 2014-15 Proposed Tentative Budget**

The 2014-15 Proposed Tentative Budget materials were provided to the DBC with revenue assumptions of COLA at 0.85% and funded growth rate at 2.75%. However, a 0.86 % of COLA and a 3% of funded enrollment growth revenue were distributed to colleges earlier in the Preliminary Budget. No adjustments will be made for COLA and growth in the Tentative Budget pending the State Adoption budget.

#### **10. 2014-15 Proposed Tentative Budget**

Members were asked to review and prepare to discuss and approve the next year calendar at the next month DBC meeting.

#### **11. DBC Recommendations to the Chancellor - None**

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

Remaining outstanding items:

- ✓ Evaluation of District Allocation Model
- ✓ District Assessments
- ✓ Student Health Services Fees

The meeting was adjourned at 3:45 pm.

*Future Meeting: June 18*