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Los Angeles Community College District

District Budget Committee Meeting Minutes

December 12, 2012

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

Roll Call

Committee members present as indicated (X).

Academic Senate

David Beaulieu	X
Tom Rosdahl	
Dana Cohen	X
Jeff Hernandez	X
Lauren McKenzie	X

L.A. Faculty Guild

Joanne Waddell	X
Olga Shewfelt	X
Carl Friedlander*	
John McDowell	X
Armida Ornelas	X

Unions/Association

Bobbi Kimble	
or Allision Jones	X
Leila Menzies	X
James Bradley	X
Velma Butler	
Lubov Kuzmik	
Richard A. Rosich	
Jim Adams	

College Presidents

Farley Herzek**	X
Jack E. Daniels III	X
Nabil Abu-Ghazaleh	X
Monte Perez	X
Kathleen Burke-Kelly*	X
Marvin Martinez	X
Roland Chapdelaine	
Sue Carleo	X
Renee Martinez**	X

Student Trustee Rep

Joseph Tucker

* DBC CO-chairs

** Interim

Also Present

Resource Persons

Adriana Barrera
Jeanette Gordon
Daniel LaVista
Cathy Iyemura
Jeanette Gordon
Vinh Nguyen
Yasmin Delahoussaye

District Office

Maury Pearl
Perin Reid

Guests

Bill Gasper
Don Gauthier
Ann Tomlinson
Ken Takeda
Tom Jacobsmeyer
Maureen O'Brien
Paul Carlson
Ferris Trimble
Furukawa, Tom
Alex Immerblum
Rolf Schleicher
Daniel Villanueva

**DBC Minutes
Dec. 12, 2012**

1. Call to Order

The meeting was called to order by Kathleen Burke-Kelly at 1:40.

2. Approval of Agenda

The agenda was approved without changes.

3. Approval of Minutes for Nov. 14, 2012

The minutes were approved with some changes. In Section 4, the second sentence of the third paragraph should read "Since the deferrals are just cash withheld, they neither increase nor decrease the district budget, as their total is already included in the budget." In Section 5, the second paragraph should read "Bradley asked about the Prop. 30 exclusion of administrative costs, and from the ensuing discussion it appeared unclear as to whether or not this affected classified."

4. Executive Committee Report and Recommendations

- Growth Funding Proposal

Burke-Kelly said that the Growth Funding Proposal scheduled to be reported out to the DBC was not yet ready. More data is needed, in particular the 2010 Census results, before the proposal can be finalized and presented.

- Redistribution of Portion of Contingency Reserve

Jeanette Gordon reviewed the rationale for the Executive's proposal to redistribute one-third it to the colleges (reducing it from 7.5% to 5% of the total budget, from \$35.2 million to \$25.2m). Nabil Abu-Ghazaleh asked that the word "realistic" be removed from the last sentence of the proposal. Two other clarification changes were suggested. The larger discussion was about why the colleges should still be expected to cut 6% from their budgets this year, given how much has already been cut and the improving budget developments statewide. Vinh Nguyen pointed out that there is still a \$27m gap for the district, even with the passage of Prop. 30. Colleges still need to reduce. Two of them are expected to end the year in a deficit. East was given \$82m this year, but has spent \$92m, using its reserves to make up the difference. John McDowell said it would be hard to explain to faculty why we needed to cut 6%, and David Beaulieu said the proposal seemed somewhat schizophrenic, saying cut 6% on the one hand, but giving the colleges an additional 2.5% on the other. McDowell suggested there were three assumptions

behind the proposal: 1) that we keep the district balance at the same level, 2) that colleges will overspend, and 3) that East and Pierce will tap into their reserves to some extent. He added that it would make more sense to enforce the budget balance requirement on the colleges.

After extensive discussion, it was agreed to remove the third paragraph of the proposal, which focused on the 6% reduction, and to substitute in its place the final sentence of the proposal, with the word "realistic" removed: "Require colleges to implement a budget with a 6% reduction plan to balance their budgets." It was further agreed to move the second paragraph to the bottom of the text (and add "student access and services and any other budget needs"), given its role as background information.

With those changes made, the proposal was approved unanimously.

5. 2012-13 College Enrollment Planning Update

In a brief report, Cathy Iyemura said GE classes for Winter Intersession were at capacity already. Five or six of the colleges want to start Summer Session in mid-June, in order to have the option of reporting some or all of the FTES in this fiscal year.

It is reported that Prop. 30 money can be used for Fall, 2012, course offerings, but there is not complete certainty about this. Gordon said the information from the state is not consistent, and it won't be until January that we are clear on how administrative costs are defined. McDowell suggested that colleges act prudently, and spend only for Winter, Spring, and Summer.

6. State Mandated Costs Reimbursement Fund

Gordon reported that each year the district files claims for state-mandated programs. Most of the claims are not fully reimbursed by the State. However, the District has budgeted \$450,000 each year in the allocation to distribute to the colleges. This year, the State has allowed districts to elect to be funded by FTES. LACCD received \$2.6 million for FY 2012-13, more than the average \$450,000. Given that Prop. 30 does not allow the District Office or District IT to use any of its money, district management is proposing that the fund is first used to restore a 7.28 percent budget reduction for District Offices and Information Technology, -with any – remaining funds distributed to colleges based on FTES. The proposal drew strong criticism from McDowell, who said it looked like a shell game and is in defiance of the wishes of the voters. Beaulieu agreed that it appeared wrong, but added that it was significant that the district office does not receive any growth money. That has been longstanding district policy. A proposal to allow it to do so was defeated in the DBC several years ago. McDowell said that the college needs are greater than the district office and IT need. Given the competing claims, the motion was tabled and referred back to the Executive Committee.

7. FON Subsidy Distribution and FON Report to State

Adriana Barrera distributed a handout on the subsidy funding for full-time positions filled in Fall, 2012. There was no discussion, though McDowell asked for confirmation that the contingency reserve was the source of the funding for this subsidy. It was confirmed that a request will be presented to the Board of Trustees to fund from the contingency reserve a total of \$2.24m for the 64 positions filled.

Barrera also distributed a copy of the district's Fall 2012 FTEF submitted FON, adjusted for both early and late separations. Our FTEF is 1394, ranging from 276 at East to 73 at Southwest. A discussion followed about the importance of beginning the hiring process as early as possible. For the last few years we haven't had a proposal to recommend a number to the chancellor until late in Spring semester. It was agreed that colleges would begin in January, working under the assumption that they would need to hire full-time faculty to fill the vacancies created due to resignations/retirements, though the exact number was not certain. Joanne Waddell proposed a motion to this effect, and it was unanimously approved.

The meeting was adjourned by Burke-Kelly at 3:30.

Submitted by D. Beaulieu