

**DRAFT**  
**Los Angeles Community College District**

**District Budget Committee Meeting Minutes**

June 20, 2012

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

**Roll Call**

Committee members present as indicated (X).

**Academic Senate**

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

**L.A. Faculty Guild**

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

**Unions/Association**

Allison Jones or Bobbi Kimble X  
Leila Menzies X  
James Bradley  
Velma Butler or Michael Romo X  
Lubov Kuzmik  
Richard A. Rosich

**College Presidents**

Tyree Wieder X  
Jack E. Daniels III\* X  
Jamillah Moore X  
Monte Perez X  
Kathleen Burke-Kelly X  
Marvin Martinez X  
Roland Chapdelaine X  
Sue Carleo X  
Nabil Abu-Ghazaleh X

**STUDENT REPRESENTATIVE**

Brandon Batham

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**Also Present**

**Resource Persons**

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

**Guests**

Ann Tomlinson  
Ken Takeda  
Paul Carlson  
Ferris Trimble  
Don Gauthier  
Maureen O'Brien

**District Office**

Karen Martin  
Sarah Master  
Maury Pearl  
Perrin Reid  
Joan Steever  
Michael Shanahan

## **Call to Order**

The meeting was called to order at 1:42 by Carl Friedlander.

## **2. Approval of Agenda**

The agenda approved without changes (moved by McDowell/Cohen).

## **3. Approval of minutes for May 16, 2012**

Minutes approved with one correction: "Colleges are seeking to fill 67 FT positions."

## **4. Election of Co-chair (Administration)**

Friedlander explained the need to elect a faculty co-chair for a single year, in order to stagger the terms of the two chairs. Friedlander was nominated (Beaulieu/Shewfelt), there were no other nominees, and he was reelected unanimously.

## **5. State Budget Update (Gordon)**

Jeanette Gordon reviewed the changes to the tax initiative projections for community colleges. If the measure passes, the CCC share will be only \$213 million, rather than \$313m. If it loses, the cut will be \$338m, rather than \$286.5m. Friedlander discussed efforts by CFT and urban district chancellors to persuade the legislature to use some of the money, assuming passage, for access rather than all for buy-down of the deferral. He said CTA was being supportive, but the governor's position was uncertain. Assuming the initiative passes, LACCD will get \$19.7m (all for deferral buy down in Brown's proposal). If it fails, it will lose \$31.2m. The budget will be completed and presented to the Board at the end of August. Given the midyear cuts, it will be 8.8% smaller than the current budget.

## **6. 2011-12 Enrollment Update**

Yasmin Delahoussaye presented both the best and worst case possibilities for enrollment. The worst would see funded enrollment dip to 89,070 funded FTES, 8.8% below 2011-

12. The best would be 96,084, a reduction of 1.5%. She said colleges needed to try to plan for both contingencies. Spring scheduling will start two weeks after the November election.

## **7. Executive Committee of the DBC Report and Recommendation**

Maury Pearl and Sarah Master reviewed their work to date for the DBC Executive Committee, studying alternative growth funding formulas. Their study has been in response to Phase 2 of the new budget allocation formula, which calls for a consideration of population density, participation rate, and other factors in determining growth funding. They discussed how they determined college service areas and changes in adult population and participation over the last ten years. The rate of change in high school graduates was the subject of discussion. David Beaulieu raised a concern that the emphasis should be on the base population and participation rate differences between college areas not on the rate of change. John McDowell objected to the use of the term "productivity," as it usually means larger class sizes. Jeff Hernandez said service areas should definitely not include any zip codes outside of the district boundaries. Kimble asked about the process going forward. Pearl responded that other factors could also be considered, such as total higher education attainment, as opposed to community college participation only, as well as economies of scale. Friedlander also assured her and the DBC that recommendations will be vetted within the DBC prior to being sent to the Chancellor. There will be updates monthly and the DBC members certainly have the option of making comments and recommendations to be considered by the DBC. The ECDBC will continue to keep the DBC informed of its work in this area.

## **8. Board Finance and Audit Committee Update**

McDowell raised concerns, shared by several others, that the BOT Finance and Audit Committee had too hastily agreed to increase the contingency reserve from 5% to 7.5%. He said it was "stampeded" into doing so, but Gordon insisted that the impetus came from the trustees themselves. Hernandez and others said shared governance had broken down in this instance, as the trustees acted without a recommendation first from the DBC. Some believed that the general reserve was going to be created independent of the college reserves, but Friedlander and Gordon disputed this. It was clarified that there are only two reserves: the general, which includes all the college reserves, and the contingency, which should probably be called a fund, since it is regularly tapped and largely spent in the course of the year (at least, recently).

Chancellor LaVista cited the Board pressure for a 10% general reserve, though the state only recommends a 5% (and doesn't require even that).

When the final budget goes to the Board, \$25 million will be identified as the general reserve, with the college reserve components of that clearly identified.

There was a motion (McDowell/Waddell) to recommend to the Chancellor that he recommend to the trustees a 5% contingency reserve only. The extreme difficulty for the college to make further cut was the main reason cited. Gordon suggested possibly taking the contingency reserve augmentation out of the general reserve. The motion on reducing the 7.5% to 5% for Contingency Reserve was passed with one opposed (Nabil Abu-Ghazaleh). -

The need to discuss a venue, a means, by which the district can come up with a detailed plan to close the budget gap for next year was discussed. (There is currently a gap of around \$12 million, even if the tax initiative passes.) Friedlander recalled that in 2008-09, a special ad hoc committee was established by then Chancellor Drummond. He recommended that a similar group be formed again. It would be a smaller committee than the DBC Exec, and would include key stakeholders. Chancellor LaVista said he thought it was a good idea to have such a brainstorming group meet. The earlier group made recommendations back to the DBC. A motion to recommend establishment of such a group was passed unanimously (Hernandez/Butler).

## **9. FON Discussion (Dr. Barrera)**

72 Notices of Intent are in at the district office. 67 have been posted. Three have been canceled or put on hold, four have been finished, and three cleared.

Phase 2 has begun, with hiring committees being trained on how to review applicants. The targets have been surpassed. We hope to get to 60 hires, with 69 now in process. Based on workload reductions, the State Chancellor's Office calculated new FON estimates for the state's community colleges. The District's new FON estimate at this time is 1429 Full-time Equivalent Faculty.

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

Two recommendations were made today:

- a. Establish a 5% Contingency Reserve (Fund) for 2012-1 year, and
- b. Establish an Ad Hoc Budget Task Force to develop solutions for 2012-13 budget.

The meeting was adjourned at 3:45.

*Next Meeting: July 18*