

DRAFT
Los Angeles Community College District

District Budget Committee Meeting Minutes
February 15, 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	X
Michael Climo	X

L.A. Faculty Guild

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

Unions/Association

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

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

Also Present

Resource Persons

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

District Office

Felicito Cajayon
Jorge Mata
Karen Martin
Perrin Reid
Joan Steever
Michael Shanahan

Guests

Ann Tomlinson
Ken Takeda
Paul Carlson
Renez Martinez
Tom Furukawa
Mary P. Gallagher
Tom V. Jacobsmeyer
Allison Moore
Don Gauthier
Rod Oakes
Ferris Trimble
Dan Wanner
Maureen O'Brien
Susan McMurray
Alex Immerblum

1. Call to Order

Co-chair Friedlander called the meeting to order at 1:35 pm.

2. Approval of Agenda

The agenda was approved as presented.

3. Approval of minutes for Jan. 18, 2012

The minutes of the meeting of Jan. 18, 2012, were approved with minor corrections.

4. Executive Committee Report and Recommendations: Budget Allocation Model Recommendations

J. Gordon distributed a document that summarized the ECDBC's response to issues raised by J. Hernandez (on behalf of the ELAC Budget Committee) and the Classified Management Assoc. The document also outlines the proposed timeline for the two phases of the new Allocation Mechanism. Gordon explained that, in light of the 7% reduction in our 2012-13 budget, based on discussions with the Chancellor (the ECDBC had not had a chance to discuss this) she was recommending that the district backfill in the first year the full \$5 million that would be lost by the colleges that would have their allocations reduced, rather than just 50% of the reduction. The 50% reductions would then take place in the second and third year.

Hernandez questioned why there was urgency to implement Phase 1 rather than waiting until Phase 2 work was completed and implementing it all at once. Various speakers (Beaulieu, M. Martinez, Perez, Menzies, Daniels) emphasized the urgency of satisfying concerns about M&O funding that had been raised by various outside analysts (State Controller, Independent Review Panel) and particularly ACCJC, as well as the serious financial planning issues at some of the colleges. Colleges with upcoming ACCJC site visits were particularly anxious. Friedlander pointed out that Phase 2, while critical, was temporarily moot since no State growth funding was anticipated in 2012-13.

J. Waddell requested that modeling be done to estimate how the square footage based model will play out going forward as new building come on and go off line. A. Ornelas expressed concern about different allocation numbers in different documents she had seen. S. Carleo requested that the ECDBC clearly explain and document a comprehensive plan for bridge funding for colleges losing revenue. T. Wieder cited some of the points raised in a 2/15 letter that she had submitted (attached).

Chapdelaine reminded the DBC that the proposed changes also included modifications of the way costs and revenue from international students would be handled.

A. Ornelas requested that the policy for accessing college balances be revisited and clarified.

C. Friedlander urged that concerned individuals email their specific suggestions/questions to the DBC co-chairs. Abu-Ghazaleh cautioned against trying to make the model too detailed.

A motion to approve the new allocation model was noticed (McDowell) for the next DBC meeting, rescheduled for 1:30 pm on Tuesday, March 6.

Friedlander turned over the gable to Co-chair Daniels, as he had to leave.

5. State Budget Update/Enrollment Fee and Property Tax Shortfalls

V. Nguyen reported on the one-time \$149 million shortfall (approximately \$105 million in fees, \$44 million in property taxes). J. Gordon said it's possible this could become another deferral, rather than a cut. P1 will be out in a couple of weeks, and we should expect another \$15.8 M one-time cut, with a total cut of about \$51 million, or 10%. The consequences of the governor's tax initiative passing (and failing) were discussed. In the event of failure, the LACCD budget would have to be cut 7% below the governor's current proposal for 2012-13. J. McDowell noted the strong possibility of competing initiatives on the ballot leading to the defeat of all of them.

6. 2012-13 Enrollment Planning

Y. Delahoussaye reported that 2012-13 district enrollment target is set at 96,084 FTES. This is assuming best case funding.. Under the worse case, only 90,742 would be funded. This is as compared to 109,350 in 2010-11 and a projected 104, 036 in the current year. There should be a "cushion" of about 4% overcap to account for the effects of the new No Penalty Drop Date, the DBA audit, the student fee increase, etc. Some colleges may be unable to create the cushion, but all colleges should try.

7. 2011-12 2nd Q Report/Impact of Additional Mid-year Cuts

Gordon said she is currently projecting a 2011-12 district ending balance of \$66 million. The 2012-13 balance could be \$30 million less.

8. 2012-13 District Financial Forecast and Budget Planning

Gordon said the tentative budget will be based on a 7% workload reduction, assuming that the tax initiative will not pass. This is at the insistence of the Board members on Finance and Audit Committee. Beaulieu and Hernandez questioned how we would do that, if we're also telling the colleges to plan for best case funding in terms of enrollment. There was some discussion about creating a best and worst case budget, perhaps even a third in between these two points.

9. DBC Recommendations to the Chancellor

There were no recommendations made at the meeting.

The meeting adjourned at 4:00.

The next meeting will be on March 6.