

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE
Educational Services Center
Board Room – First Floor
770 Wilshire Boulevard
Los Angeles, CA 90017
Wednesday, January 15, 2014
2:30 p.m. – 3:30 p.m.**

Committee: Scott J. Svonkin, Chair; Ernest H. Moreno, Vice Chair; Mike Eng, Member

Trustee Svonkin called the meeting to order at 2:31 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

DBC Recommendations-Funding Request for Educational Services Center Positions

Documents entitled “Educational Services Center, Positions Approved for Funding by District Budget Committee on November 13, 2013” and “Com. No. BF2. Business and Finance, 2013-2014 Budget Adjustments” were distributed.

Interim Chancellor Adriana D. Barrera indicated that the document entitled “Com. No. BF2. 2013-2014 Budget Adjustments” is being presented at today’s Board meeting for the approval of nine positions in the Educational Services Center and that funding will be drawn from the Contingency Reserve account. She opened the topic for discussion.

Trustee Moreno expressed his concern that the request to fill the Facilities Planning and Development Department positions is premature because the LACCD Program Management Team contract has not expired and he stated that the District should wait until the additional funds from the State are received to fill the positions. This item can be revisited for further discussion.

Mr. James O’Reilly explained the risk to the District with respect to the maintenance warranties expiring soon, scheduled preventive maintenance, and deferred maintenance if these positions are not filled. He expressed his concern that with an additional 30 percent square footage with the construction of the new buildings, the Facilities Planning and Development Department has been operating at 40 percent since 2008.

For the Record, Trustee Svonkin stated that he concurred with Trustee Moreno’s concerns. He requested that this item be brought back to the Committee for further discussion with an explanation as to the immediate need to fill these positions and identify a different funding source other than the Contingency Reserve account. He stated that he could not support these positions being funded through the Contingency Reserve account.

Disposition: • ***For the Record, Trustee Svonkin stated that he concurred with Trustee Moreno’s concerns. He requested that this item be brought back to the Committee for further discussion with an explanation as to the immediate need to fill these positions and identify a different funding source other than the Contingency Reserve account. He stated that he could not support these positions being funded through the Contingency Reserve account.***

Governor's Proposed Budget/2013-2014 Financial Status Update

A document entitled "Governor's 2014-15 State Budget Proposal" was distributed.

Ms. Jeanette Gordon discussed the document with respect to the Governor's State budget proposal and its impact to the Los Angeles Community College District (LACCD) budget, 2013-14 First Quarter Financial Status Report, and the Budget and Expenditure Projection by Colleges.

With respect to the colleges that hired a consultant to address the colleges' deficits, Trustee Svonkin inquired if the colleges followed the consultant's plan to eliminate deficits at the colleges. He requested that a report be provided to the Committee in response to his inquiry.

Ms. Gordon responded that the report will be provided to the Committee.

Disposition: • ***With respect to the colleges that hired a consultant to address the colleges' deficits, Trustee Svonkin inquired if the colleges followed the consultant's plan to eliminate deficits at the colleges. He requested that a report be provided to the Committee in response to his inquiry.***

Update on Overpayments

A document entitled "Old Overpayments (Prior to 1/01/2012) /New Overpayments (From 1/01/2012 – 12/31/2012)" was distributed.

Ms. Gordon gave a summary of the status of the repayments made.

Trustee Svonkin stated that there is a plan to have discussions with the bargaining units that will allow the LACCD to recover overpayment funds from individuals that were overpaid in error.

Disposition: • ***Trustee Svonkin stated that there is a plan to have discussions with the bargaining units that will allow the LACCD to recover overpayment funds from individuals that were overpaid in error.***

Efficiency Audit Update

Documents entitled "Los Angeles Community College District, Efficiency Audit Proposals", "Broniec Associates, Analyzing Los Angeles Community College Districts Disbursement Process to Achieve Process Improvement", "The Berkshire Group", and Proposed Vizant, Professional Services Agreement" were distributed.

Ms. Gordon discussed the document entitled "LACCD Efficiency Audit Proposals" with respect to the experience and qualifications of the three firms that responded to the LACCD Efficiency Audit Request for Proposals.

Trustee Svonkin directed staff to proceed with the process to conduct interviews with the three firms in order to determine the most qualified firm for the needs of the LACDD. He requested that this item be brought back to the Committee with an update, when appropriate.

Disposition: • ***Trustee Svonkin directed staff to proceed with the process to conduct interviews with the three firms in order to determine the most qualified firm for the needs of the LACDD. He requested that this item be brought back to the Committee with an update, when appropriate.***

Bid Information on Major RFP/RFQ Items

Due to time constraints, Trustee Svonkin indicated that this item is postponed until the next Committee meeting.

Disposition: • ***Postponed until the next Committee meeting.***

FUTURE DISCUSSION/AGENDA ITEMS

- Budget Allocation/Growth Proposal
- Update on Cost Savings from Master Agreements (Chancellor's Directive #142)
- Retirement Incentives

FUTURE FINANCE AND AUDIT COMMITTEE MEETING DATES

- February 12, 2014

NEW BUSINESS

None.

SUMMARY -- NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 3:26 p.m.