

# Los Angeles Community College District

## District Budget Committee Meeting Minutes

November 12, 2014

1:30-3:30 pm, Board Room, Educational Services Center

**Roll Call**    X Indicates Present

**Academic Senate**

David Beaulieu	X
Joseph Perret	X
Dana Cohen	X
Jeff Hernandez	X
Donald Gauthier	X
Allison Moore	X

**L.A. Faculty Guild**

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

**Unions/Association**

Allison Jones/Selina Chi	X
Hao Xie	X
Lubov Kuzmik	
Leila Menzies	X
Velma Butler/Shirley Chen Page	X
Richard A. Rosich	
Kathleen Becket	X

**College Presidents**

Renee Martinez	X
Marvin Martinez*	
Otto W. Lee	X
Monte Perez	X
Kathleen F. Burke	X
Linda D. Rose	X
Larry Frank	X
Erika A. Endrijonas	X
Nabil Abu-Ghazaleh	X

**Student Trustee Rep**

Robert “Sonny” Martinez

\* DBC CO-chairs

\*\* Interim

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**Also Present**

**Guests**

**Resource Persons**

Adriana Barrera	X
Jeanette Gordon	X
Maury Pearl	X
Bobbi Kimble	X
Chito Cajayon	X
Vinh Nguyen	X
Albert Roman	X
Chancellor Francisco Rodriguez	

Dan Walden	X
Violet Amrikhas	X
Ken Takeda	X
Mike Lee	X
Nestor Tan	X
Ann Tomlinson	X
Ferris Trimble	X

1. **Call to Order** by DBC Co-Chair Mr. John McDowell at 1:40 pm.
2. **M/S/P Agenda** approved with an addition of the Student Equity Fund agenda for discussion.
3. **Approval of Minutes** – Minutes of October 15, 2014 were approved with the following corrections:

(1) Page 2, Chancellor’s Remarks/Update Section, 3<sup>rd</sup> bullets, “... The District is in the strong financial position; those some members have questions whether or not the District will end the year with higher balances...”

(2) Page 2, last paragraph, “...ECDBC meeting on September 30, 2014...”, instead of September 23, 2014.

4. **Chancellor’s Remarks/Updates** - None
5. **Board Budget and Finance Committee and ECDBC Committee Report and Recommendations (V. Nguyen)**

No ECDBC meeting in September.

Mr. Nguyen reported that the Board Budget and Finance Committee meeting on November 5, 2014 reviewed the update on the bond underwriter processes for bond issuances, the First Quarter Report, and the RFP for banking services. The District is planning to issue an additional \$350 million in new money for the bond construction projects and \$1.75 billion in refunding. The Board’s committee approved the resolutions to issue and refund the bonds. For the First Quarter, The District balance is projected at \$73 million. For the banking services, the District is issuing an RFP. The District has not been changing the banks for over 20 years and the Board would like to ensure that some emerging banks can participate in the RFP bidding processes.

6. **Enrollment Planning and Fall Enrollment Update (Maury Pearl)**

Maury Pearl reported that his office is still meeting with colleges and in the process of finalizing the enrollment projection and updating the section counts. The final first census will be available in October and will report to the committee in future meetings.

7. **FON Hiring Update (Dr. Roman)**

Dr. Roman distributed the latest FON Planning worksheet for Fall 2015. He reported that the Cabinet has reviewed the recommendation to allocate the FON to each college. The District needs to hire additional 73 hires (line 7a) to meet the target of 1,519.1 FTEF. To give the colleges an incentive, the Cabinet recommends the FON funding subsidy for 14 new hires that are the required numbers (line 7b) to meet the FON.

The committee discussed additional subsidy for 16 FTEF positions above and beyond the FON requirements (line 7c) as a cushion so that the District will generate 1,521.5 FON for FALL 2015. However, the colleges will not be penalized for the added 16 FON on line 7c.

**M/S/P – Adding funding subsidy up to 16 FON (line 7c) in addition to 14 FON on line 7b, whereas the 16 FON in line 7c are not subject to penalty.**

Some members asked for an update on the district-wide recruitment efforts. Dr. Roman mentioned that six of the colleges have made recommendations on the prioritization of hiring lists to the senates.

#### **8. 2014-15 First Quarter Financial Status Report (J. Gordon)**

The projected ending balance is \$73.7 million with no salary increase scenario and \$57.7 million with a 4% salary increase estimate. She reported that COLA, growth revenue, and state mandated reimbursements are new money available for salary increase. Members were asking for the statutory benefit information associated with the salary increases.

Enrollment target is at 4.75% which includes a 2% over-cap. Approximate \$4 million funding for 2% percent over-cap are allocated to colleges from Contingency Reserve for \$2,324 per FTES.

The proposed budget planning assumptions for FY 2015-16 were presented. Proposition 30 (EPA Fund) temporary taxes, CalSTRS and CalPERS contribution increases, FON penalty, Accreditation, Affordable Health Care Act “Cadillac Tax”, and college deficits are some concerns and issues that will have to be addressed in future years.

#### **9. Student Equity Funding**

D. Beaulieu raised concerns about the failure of the cabinet to find a way to distribute the student success funds in a more equitable manner. He acknowledged the complexity of the task, but said the FTES distribution is not a satisfactory method. He recommended that DBC should review the distribution methodology for FY 2015-16. There were extensive discussions on the need to have the ECDBC develop a more comprehensive approach to address the student equity gaps and the allocation formula. Members were concerned as to how the District distribution based on FTES might look to the legislature, given its clear intent that the funds go to reduce equity gaps.

**M/S/P – refer to the ECDBC to review and develop recommendation to distribute the student equity funding to colleges in the future years**

#### **10. DBC Recommendations to the Chancellor – FON Subsidy**

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

- ✓ Student Equity Funding
- ✓ Evaluation of Budget Allocation Model
- ✓ Integration of Planning and Budget

The meeting was adjourned at 3:25 pm.

*Future Meetings: January 21, February 18, March 18, April 22, May 20, June 17.*