

# Los Angeles Community College District

## District Budget Committee Meeting Minutes

January 18, 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	X
Velma Butler	
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**

(Representative not identified at present.)

---

### Also Present

#### **Resource Persons**

Daniel LaVista  
Cathy Iyemura  
Adriana Barrera  
Vinh Nguyen  
Jeanette Gordon

#### **District Office**

Felicito Cajayon  
Jorge Mata  
Karen Martin  
Joan Steever  
Perrin Reid

#### **Guests**

Ann Tomlinson  
Ken Takeda  
Paul Carlson  
John R. Oester  
Mary P. Gallagher  
Tom V. Jacobsmeyer  
Allison Moore  
Don Gauthier

## 1. Call to Order

Jack Daniels called the meeting to order at 1:35.

## **2. Approval of Agenda**

The agenda was approved without changes.

## **3. Approval of the Minutes for Nov. 30, 2011**

Minutes of Nov. 30 were approved without changes.

## **4. Executive Committee Report and Recommendations**

Jack Daniels noted the long discussion in the Executive Committee about revising the district allocation model. He asked that comments on the proposal the committee is distributing today be sent to him or Carl Friedlander, the DBC co-chairs. Jeanette Gordon reviewed the history of the current model, based on the state allocation formula (SB 361), and explained the rationale for the proposed model. It would include specified fixed costs for minimum administrative staffing and M&O. Other multi-college district models were reviewed. The Executive has no consensus at this time, however (two dissented). Friedlander stressed that the proposal would be a first step, and that differential growth rates would have to be considered next. This would include looking at current participation rates and population density per college. He said the current model created "wild imbalances" in fiscal conditions within the district and that a significant rebalancing is necessary given the contraction of state funding.

Jeff Hernandez argued that funds were fairly distributed under the current model based on student demand, and that decentralization was valuable and would be hurt with the proposed changes. He saw a cost-based approach as problematic. David Beaulieu said there was no need to rush into a decision, given the lack of extended DBC discussion. He felt the rationale for such a dramatic change was not yet persuasive, given that the small colleges would be helped very unevenly, while East would be asked to reduce its budget far more, as a proportion, than Pierce. Not factoring in the participation rate also concerned him a great deal.

John McDowell reviewed the discussions in Sacramento around SB 361, noting that there was no real rationale behind its formula, while this proposal would have one. Factoring in the M&O costs would meet the concern of the State Controller's Office. 82% of funding would still be distributed by FTES (down from 92% now).

Tyree Wieder objected to the "huge, disproportionate" cut that East was being asked to take and said student success had to be considered in this regard. Armida Ornelas said that East was being penalized for showing financial responsibility, since it couldn't fully

access its balance and now was being asked to reduce its budget dramatically. Other colleges that overbuilt are now being rewarded with M&O funding.

John Oester suggested that demographic data be included with the final proposal. He also suggested adding other fixed costs, such as the IT manager and College Financial Manager (CFA), and changing the methodology of funding the numbers of deans to a more linear approach, that is in relation to college FTES (instead of a 3-tier level). Several speakers talked about college instructional productivity and inefficiency, and the need for fairness and a clear rationale for any new model. Sue Carleo said we need to be sure the colleges are pursuing correct FTES goals.

Two commended the Executive Committee for its efforts. Daniels said it will bring something back at the Feb. 15 DBC meeting.

## **5. Governor's State Budget Proposal**

Gordon distributed a handout on the Governor's budget proposal and reviewed it briefly. She indicated that if the Governor's Tax Initiative fails, California Community Colleges will face another \$264 million shortfall (a 5.5% cut). The District will receive an additional reduction of \$22 to \$25 million (est. 5.5% ) over the 1.5% carried forward from the mid-year cut in 2011-12.

## **6. 2012-13 Enrollment Planning Target**

Current projections are that we will have 104,000 FTES in 2011-12, of which approximately 98,000 will be credit and 6,000 non-credit. That would be 5,300 fewer than last year, but still 6,000 more than we're being funded for. Three scenarios were reviewed.

Yasmin Delahoussaye pointed out that an additional 2.5% cut to the community colleges had just been announced that morning, the result of student fee revenue not meeting expectations (due to more students getting waivers).

She also reviewed three factors that could impact the budget:

- Credit course repetition and withdrawals will be limited to three attempts, effective this summer. That could result in a loss of over \$3.5 million for the district.
- Students who drop after the census date but prior to the "W" deadline can no longer be claimed for apportionment. For example, in fall 2010 alone there were 21,000 drops (or 2,700 FTES) processed during this time period. Had this new Title 5 regulation been in effect in fall 2010, the District would have lost \$12.3 million in apportionment.

- An audit is being conducted of district classes with a TBA component. There has been a lack of attendance documentation for some of them, and the TBA hours haven't been listed in the catalogs.

## **7. FON Planning Target for 2012-13**

Adriana Barrera reported on the Fall 2012 FON targets for the colleges. The final report to the state for Fall 2011 showed 1,450 FTEF. When "late separations" (those leaving between March and November) are added in, the number is reduced to 1,409. The Fall 2012 required total is 1,461, which requires 52 hires. Some colleges are claiming hardship, given their budget situation. McDowell argued for a higher goal total than 1,461, given that some of those selected will decline the offer. He also said the decision on the total to be hired needed to be made by the next DBC meeting. Hernandez said it would be more responsible to not hire too many, but Friedlander disagreed, saying it was a wash financially.

## **8. 2012-13 Proposed Preliminary Allocation**

Gordon presented the 2012-13 Proposed Preliminary Budget Allocation and reviewed the assumptions and scenarios. The allocation was based on a 1.52% workload reduction (from 2011-12) and assumes the Governor's Tax Initiative passes in November. It was also noted that there is no funding for increases in M&O costs and employee benefit costs at this time. The centralized accounts budgets were also discussed. \$500,000 for the Student Information System Modernization was included in the budget. The budget proposal freezes the centralized accounts budgets at the same funding level as in 2011-12 (\$48 million), even though the requested budgets were at more than \$53 million.

Gordon also indicated that the District will have to work on a contingency plan to address the potential \$22-25 million reduction of state revenue if the Governor's Tax Initiative fails in November. Colleges would face difficult challenges to balance their budgets, since the colleges and the District have been cut severely over the last three years.

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

There were no recommendations this month.

The meeting adjourned at 3:45.

The next meeting will be on Feb. 15.

--D. Beaulieu