

Los Angeles Community College District

District Budget Committee Meeting Minutes

September 5, 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

L.A. Faculty Guild

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	X
Lubov Kuzmik	
Richard A. Rosich	
Jim Adams	

College Presidents

Farley Herzek	X
Jack E. Daniels III	X
Nabil Abu-Ghazaleh	X
Monte Perez	X
Kathleen Burke-Kelly*	X
Marvin Martinez	X
Roland Chapdelaine	X
Sue Carleo	X
Renee Martinez	X

Also Present

Resource Persons

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

Ann Tomlinson
Ken Takeda
Alex Immerblum
Maureen O'Brien
Mary Gallagher
Ferris Trimble
Tom Jacobsmeyer

District Office

Michael Shanahan

Guests

Rolf Schleicher
Don Gauthier

1. Call to Order

The meeting was called to order by Kathleen Burke-Kelly at 1:35 PM.

2. Approval of Agenda

The agenda was approved without changes.

3. Approval of minutes for Jul. 18, 2012 and Aug. 7, 2012

Both sets of minutes were approved without changes.

4. Planning for Tax Initiative Implications

Jeanette Gordon distributed a handout detailing the implications of Prop. 30 failing. LACCD would face a budget shortfall of over \$63 million. With \$25.8m in reductions already taken by the colleges and district this year and with over \$16m taken from the district balance for four earmarked items, that would still leave a budget gap of over \$21m. The chancellor's task force looked at various one-year options for closing that shortfall. They include reducing the HRA benefit by half (\$3m); suspending the GASB 45 contributions (\$5.2m); implementing a salary rollback (3% for full-time faculty, 1% for adjunct); and for administrators and classified either furloughs (seven and one-half days) or unpaid holidays (ten and six, respectively). All of these steps combined would save over \$18m. The remaining \$3m needed to get to \$21m would come from the undistributed district-wide reserves.

David Beaulieu, Armida Ornelas, and Joanne Waddell raised objections to the lack of progressivity built into the proposals, especially given the strong expression of support for it at the last DBC meeting. Carl Friedlander said that in the Task Force management had said that full progressivity was hard to implement administratively. Jeff Hernandez disputed that and cited the UC plan as an example of effective and fair budget cutting.

Gordon cited areas for financial review, including centralizing redundant functions, creating retirement incentives, increasing parking fees, analyzing some student services (such as athletics and child development centers), and addressing the cost of employee benefits. The vice presidents of administrative services have asked that four functions be looked at in particular in terms of possible redundancy: accounting, payroll, purchasing, and the role of the Personnel Commission in hiring.

Forums will be held at each college to inform the community of the consequences of Prop. 30 failing. The planned financial review will proceed independent of the fate of the tax initiative.

5. 2012-13 College Enrollment Planning Update

Cathy Iyemura reported that the district is at 98% enrollment compared to last year at this date. It seems that students are taking lighter loads. There are fewer full-time students, and fewer continuing students, but more new students. Classes are full, and students are not dropping. The chancellor asked why fewer units are being taken. Several reasons are probably at work, including (but not limited to) the fee increase, fewer classes offered, and the three-attempt limitation.

Faculty are dropping more No-Shows the first day, as they were asked to do. This is to avoid financial aid payments being made to the students (money that the district then has to return to the government and try to collect back from the students).

If course repeatability is severely restricted (it's now at the Dept. of Finance for their approval), it will take effect in the fall of 2013.

6. FON Update

The district will hire at least 60 full-time faculty this fall. It has already hired 52 faculty with seven positions in the process of being filled.

The State Chancellor's Office released the new FON for all districts state wide based on workload reductions of the last year. The new FON for the District has been calculated to be 1445, down from 1461 last year.

Waddell cited the need to begin planning for hiring much earlier in the academic year. Friedlander said there would not be a large leap in the FON in the next few years due to the workload reductions lowering the LACCD's "calculated FON" below the level of its "compliance FON." A large increase had been anticipated in prior years when the "calculated FON" for the district was just over 1600.

7. Executive Committee Report and Recommendations

The Review of District Reserve and Balance document that the Executive Committee first showed the full DBC in July was presented, after being reworked. There were no questions about it this time, and some remarked on its greater clarity. The review lays out the size of the general and contingency reserves and details how college balances will be handled. It isn't yet complete, however, as further items needs to be added, detailing how to distribute balances back to colleges.

Nguyen presented a simulation of how the new policy and procedures would work. There were a number of questions, as the simulation was complicated and theoretical (that is, not based on actual budget totals). Abu-Ghazaleh asked how West's balance would be augmented, given that Valley and Southwest had been given "gap assistance" funds this year.

The DBC endorsed the document as it stands (items #1-6) by a unanimous vote.

McDowell wondered why these colleges were given assistance without any DBC approval. The chancellor said nothing improper had been done, and Friedlander and Beaulieu both agreed that it actually was the DBC policy for last year only that colleges could request special assistance.

Debt repayment has not been discussed much, and the Executive needs some time to consider it before coming back to the DBC with a proposal. It won't be a critical issue for a year, in any case. There is \$17m outstanding, according to Gordon. McDowell said the debate is usually presented either in terms of college accountability or factors beyond a college's control, but Beaulieu said both could be at work at the same time. Sue Carleo said Valley is not succeeding with the current model. She indicated that the colleges do not have control over salaries and other external factors such as utilities costs. Hernandez, citing decentralization as a district policy, said colleges must be responsible for their budgets, though some might not have the area population to boost their enrollment.

8. 2013-14 Proposed Budget Development Calendar

A budget calendar was proposed for the rest of the fiscal year. It will go to the Board on Sept. 19 as a noticed motion and on Oct. 3 for adoption.

9. DBC Recommendations to the Chancellor

There were no recommendations to the chancellor by the DBC.

Ornelas asked a final question about how growth money will be distributed in the event of Prop. 30 passing. Nguyen said the amount is uncertain at this point.

The meeting was adjourned at 3:35.

Next Meeting: Oct. 10