

# Los Angeles Community College District

## District Budget Committee Meeting Minutes

April 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	
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 or Dorothy Rowe	
Lubov Kuzmik	
Richard A. Rosich	

#### **College Presidents**

Tyree Wieder	
Jack E. Daniels III*	X
Jamillah Moore	
Monte Perez	X
Kathleen Burke-Kelly	X
Marvin Martinez	X
Roland Chapdelaine	X
Sue Carleo	X
Nabil Abu-Ghazaleh	X

#### **STUDENT REPRESENTATIVE**

Brandon Batham

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### Also Present

#### **Resource Persons**

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

#### **Guests**

Ann Tomlinson  
Ken Takeda  
Paul Carlson  
Ferris Trimble  
Tom Furukawa  
Mary P. Gallagher  
Renee Martinez

#### **District Office**

Felicito Cajayon  
Joan Steever  
Charolambo Ziogas  
Perrin Reid  
Michael Shanahan

Don Gauthier  
Nestor Tan  
Maureen O'Brien  
Susan McMurray  
Anna Davies

## **1. Call to Order**

Co-chair Carl Friedlander called the meeting to order at 1:40.

## **2. Approval of Agenda**

The agenda was approved without changes.

## **3. Approval of minutes for March 6, 2012**

The minutes were approved with changes on page 3, last paragraph, to read “Bobbi Kimble expressed concern about Phase II, specifically, that the contents of item 1-4 were not spelled out in the motion but left to the Executive Committee’s interpretation. She noted that clarity of communication between the Executive Committee and the larger group is critical and asked that they bring the specifics back to the Committee before proceeding, in order to ensure a transparent process.”

## **4. State Budget Update (Chancellor)**

Chancellor indicated that he is increasingly concerned about the process to develop the budget for the Board given some of the external threats that we face. He noted that in preparation for the upcoming May 9 Board Financial and Audit Committee on discussion of the FON and the Preliminary Budget presentation to the Board, he asked the Committee to address FON issues. He provided the Committee a summary of the challenges that the District is facing. These include the district’s financial forecasts for 2012-13 year, the current mid-year surprise reduction of \$149 million based on statewide fee and property tax revenue shortfall (with ongoing efforts to promote backfills), laboring for the passage of the Governor’s tax initiatives, shortfalls of tax revenue collections, and Prop. 98 revenue trigger if the tax initiative fails.

Chancellor also reported the college budget progress in addressing the budget deficit gap of \$35 million. The college presidents are responding to the appeal from their college communities and local groups about the needs to restore some of the essential cuts. The budget gaps within the colleges are continuing and in some instances are worsening. He identified other additional commitments including \$5 million for M&O costs with new estimated 500,000 square footage increase; the need for some colleges to be prepared to pay their debts beginning FY 2014; and the establishment of a \$2.5 million reserve for deferred maintenance as recommended by the ad hoc Building Committee. He emphasized the uncertainty of the budget and issues that confront the district’s budget including faculty hiring obligations.

Each college president briefed the Committee about their FY 2013 budget development and progress. All presidents indicated their budget cuts and the remaining levels of their budget gaps. Most have reduced their budget to a bare minimum and maintain only essential expenses.

Carl Friedlander asked about the best estimate of 2011-12 ending balance. Jeanette Gordon said that it is projected at \$61 million. She provided the detail list of obligations/commitments from the balances. The obligations include \$33 million college balances, \$13 million for college reserve (East, Pierce), \$10 million open orders, \$3 million set aside for Board election, \$2 million for restricted program deficit, \$5 million for new allocation model, \$5 million new M&O costs, \$2.5 million for deferred maintenance, and funds needed for hiring new faculty (to be determined). The net obligation is an approximate negative \$13 million, which will have to come from the contingency reserve in 2012-13 year.

## **5. Enrollment Planning (Yasmin Delahoussaye)**

Yasmin Delahoussaye reported that the district will exceed its funded FTES base of 97,396. Projected actual FTES is 103,036, which is about 1,000 FTES less than projected earlier in the First period. She indicated that the projection is not final and will be confirmed with colleges in May during the 3<sup>rd</sup> quarter budget meeting with each college.

Some colleges are not making base. John McDowell suggested holding college harmless, instead of making them spend more money. It was indicated that the current budget allocation policy will hold harmless those colleges that have declined in enrollment for one year.

Jeff Hernandez questioned if colleges were required to plan enrollment on the best-case scenario while planning with the worse-case budget. Vinh Nguyen stated that colleges were provided with best-case and worst-case scenarios. No specific enrollment target has been set by the district for FY 2013. Each college will need to plan its own enrollment program.

## **6. FON Discussion (Dr. Barrera)**

Dr. Barrera reported 41 late retirements between Spring 2011 and November 2011 of last year and 40 early retirements between November 2011 and March 31, 2012, for a total of 81 retirees. During the spring semester, 12 faculty were hired, which resulted in a net loss of 69 FTE positions. The District is short of 80 FTE to meet the 1,461 faculty obligation number. She pointed out that the cost of one full-time faculty to replace one adjunct FTE faculty is about \$35,000.

John McDowell recommended the District subsidize colleges with a similar policy that was used in a previous year that subsidized each college with \$35,000 per new hire. There was discussion of continuing to fund the ongoing costs of new hires. The need to replace full-time faculty retirees was emphasized.

Even though there is uncertainty about budget, it was noted that faculty have contributed to a reduction of the District's costs through the reduction of classes and adjunct faculty. Several DBC members raised concerns about not hiring any faculty and advocated for

hiring some number of faculty. Several DBC members urge the District to develop a clear policy on faculty hiring and strategies to hire faculty on annual basis so that this discussion does not have to take place each year.

The Chancellor asked for realistic number of faculty to be hired. He said that he would readdress the FON issue with presidents immediately and will consider the concerns from committee members.

Co-chair Friedlander excused himself at 3:50 to catch plane; co-chair Daniels took over chairing duties.

J. Waddell said that it was important for the DBC to decide on FON hiring plans earlier in the academic year.

Agenda Item 8 (2012-13) and 9 (ECDBC Report & Recommendations) are deferred to next DBC meeting. Item # 10 is a notice of DBC Co-chair election at the next DBC meeting

Meeting was adjourned at 4:30 pm

*Future Meetings: May 16, June 20*