

Los Angeles Community College District

District Budget Committee Meeting Minutes

April 16, 2014

1:30-3:30 p.m., Board Room, District Office

Roll Call X Indicates Present

Academic Senate

David Beaulieu	X
Joseph Perret	X
Dana Cohen	X
Jeff Hernandez	X
Lauren McKenzie	
Allison Moore	X

L.A. Faculty Guild

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

Unions/Association

Allison Jones/Selina Chi	
Galen Bullock	X
Lubov Kuzmik	
Leila Menzies	X
James Bradley	
Velma Butler	
Richard A. Rosich	

College Presidents

Renee Martinez	X
Marvin Martinez	X
Farley Herzek**	X
Monte Perez	X
Kathleen F. Burke*	X
Yasmin Delahoussaye* *	X
Larry Frank	
Alma Johnson-Hawkins **	X
Nabil Abu-Ghazaleh	X

Student Trustee Rep

LaMont Jackson

* DBC CO-chairs

** Interim

Also Present

Resource Persons

Adriana Barrera	X
Jeanette Gordon	X
Cathy Iyemura	
Bobbie Kimble	X
Vinh Nguyen	X
Maury Pearl	X

Guests

Daniel Villanueva	X
Rolf Schleicher	X
Erlinda De O'Campo	X
Anil Jain	X
Violet Amrikhas	X
Ann Tomlinson	X
Dan Walden	X
Charalambos Ziogas	X
John Al-Amin	X
Ferris Trimble	X
Albert Román	X
Dan Walden	X

1. **Call to Order** by DBC Co-Chair Dr. Kathleen F. Burke at 1:40 pm. Mr. John McDowell, who chaired April 16, 2014 meeting, arrived late.
2. **M/S/P Agenda** approved as presented
3. **Approval of Minutes** – Minutes of March 19, 2014 were approved with no change.
4. **Update on College Balance Projection (Jeanette Gordon)**

Jeanette Gordon reported the college balance projections as of March 31, 2014. The projections were updated to include the additional 2% growth over-cap at \$4,000 per FTES. Four colleges are projected to end the year with deficits. Based on the District's Accountability Measures, any college that ends the year with a deficit of 1% or more than \$500,000 will be required to submit a plan. City College and Harbor College will be requested to submit their plan to balance their budgets. For the 2012-13 Recalculation, City College and Southwest College received adjustments for the prior year's funded growth reductions.

Mr. Joe Perret provided the analysis showing the amounts of money that colleges were allocated and planned to spend. He observed that all colleges were not getting enough money or spent too much. There were concerns that the allocations were too conservative at the beginning of the year. Some colleges had labor costs of more than 100% of their allocations. There were discussions about cost per FTES and fixed costs versus variable costs, and whether or not adjunct/hourly instruction costs were considered variable or fixed costs. It was requested that the comparison of each college's labor costs versus allocations be provided for further review.

5. Update on College Marketing, Recruitment, and Outreach Survey (Maury Pearl)

The survey provided the summary of marketing, recruitment activities and expenditures taken by colleges over the past two years and current year. The information did not include any personnel costs. Dr. Barrera indicated that the colleges are planning on more vigorous marketing and recruitment campaigns next year. To a certain extent, the District and colleges are on schedule in reaching a 3.63% enrollment target and are planning for a 3% enrollment target next year. The District will need extra money for marketing and recruitment to meet next year's target.

There was discussion about the Board Budget and Finance Committee's objection to the initial marketing funding request. The Board Committee was asking for the District-wide marketing campaign. There was no district-wide coordinated marketing effort. Dr. Barrera reported that there were lots of ideas and discussions at the Board Budget and Finance Committee on April 24, 2014 meeting such as mailing out course schedules to students or through social media. It was indicated that in terms of collaboration and good accreditation practice, the District and colleges need to think about how to assess the effectiveness of various approaches to recruit students. Lobbying efforts at the state level are to get a 3% enrollment growth next year, and it would be important that the District increase the recruiting effort to not leave any growth money on the table. Questions were raised whether or not we should have a district-wide marketing campaign. Students are going to school at the colleges, and the marketing efforts have to focus around the colleges.

6. Summer Sessions and Enrollment Planning Target (Maury Pearl)

Maury Pearl reported that the District was in the process of finalizing the Second Period Accounting Reporting to the State. All colleges are planning to meet or exceed the District's 3.63 enrollment target for this year. Some colleges are going to use a portion of summer session to meet their enrollment targets. Overall, the District is projecting over 101,000 FTES. Summer sessions were projected to increase 6% over prior year's summer sessions (est. 7,000 FTES).

Members suggested sponsoring legislation to lift the "fill back" requirement for community colleges to open up more classes to students at various off-campus locations. John McDowell reported on the LA Faculty Guild and LACCD meetings with legislators to support 3% funded growth to continue restoring access, specifically to restore access lost due to deep budget cuts and severely unfunded over the years. He reported that LACCD shrank from 139,168 students in 1981 to 93,026 students by 1987. Because of the arbitrary "growth cap", LACCD has been prevented from growing back. There were also discussions about lower participation rates for urban districts and online offerings.

7. Board Budget and Finance Committee and ECDBC Committee Report and Recommendations (Jeanette Gordon)

a. Board Budget and Finance Committee Report

Jeanette Gordon presented the distribution of \$8,912,000 State General Revenue from 2012-13 Recalculations for Board Agenda, April 23, 2014 (BF2). She reported that the Board Budget and Finance Committee, on March 24, 2014, reviewed the DBC recommendations and approved the DBC recommendations to distribute \$7.7 million to colleges to fund the 2% growth over-cap at \$4,000 per FTES, \$300,000 for accreditation planning activities, \$360,000 for CURRICUNET software application, and \$200,000 for sub & relief (backfills) for SIS Conversion project support.

The Board Budget and Finance Committee removed the DBC recommendations of \$300,000 for funding the District/College Marketing, Outreach, and Recruitment Campaign pending more detailed planning information. Supporting summary information is provided in the Board Agenda for Board consideration. The Chair of the Board Budget and Finance Committee has subsequently asked Chancellor to add back to the Board Agenda the \$300,000 for District Marketing, Outreach, and Recruitment Campaign for consideration on April 23, 2014.

b. ECDBC Committee Report and recommendations

ECDBC, on April 15, 2014, discussed reviewing the Budget Allocation Model, the District Assessments, and the College Bookstore Whitepaper (Professor Joseph Perret).

Jeanette Gordon reported that the District Administrative Council (DAC), which includes the Vice Presidents of Administration, is responsible for addressing the bookstores' operational issues. They worked with the college Bookstore managers and had consultants to address the bookstore operational issues over the years.

Mr. Daniel Villanueva, Vice President of Administrative Services of Mission College, and the liaison from the DAC gave an overview of the College Bookstore operations. He indicated that there was a consultant study. He addressed some of the challenges: managing inventory, markups, uniformity with book adoption cycle among the colleges, real time price competition, costing and purchasing. All nine colleges are unique, and developing one model for all nine bookstores is challenging. They are different geographically and the needs for services and consumer goods are different at each site. Overall six of nine college bookstores will break even this year. The District has a dedicated accountant supporting bookstores.

There were discussions about other ways or business models such as book rentals, lower markups, or work with publishers to keep the costs of textbooks down. Some members raised concerns about the three-year book adoption cycle. There are different disciplines; they cannot all fit in the three-year adoption cycles. There are different approaches to instruction, and we want to encourage and enable instructors to do their best to educate students. We want to also educate faculty about making sure not to order too many books for their classes. Better communication is needed between bookstores and faculty.

The college bookstore's business models are outdated and cannot compete with other online services. Colleges have to be able to deliver the products that students want at the price that they want and when they want.

The DAC is working to find the solutions. There are other methods of getting books, and open source will be one method to address it. The Vice Presidents will report back to the DBC Committee in the future.

8. Notice of DBC Co-chair Election (Administration) – Next DBC meeting, May 21, 2014, election of the DBC Co-chair (Administrative co-chair) for a new two-year term effective July 1, 2014.

9. DBC Recommendations to the Chancellor - None

10. Items requested from DBC members to ECDBC

- ✓ Evaluation of District Allocation Model
- ✓ District Assessments
- ✓ Student Health Services Fees

The meeting was adjourned at 3:20 pm.

Future Meetings: May 21, and June 18