

Los Angeles Community College District

District Budget Committee Meeting Minutes

March 19, 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

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

College Presidents

Renee Martinez	
Marvin Martinez	X
Farley Herzek**	X
Monte Perez	X
Kathleen F. Burke*	X
Yasmin Delahoussaye* *	X
Larry Frank	X
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	X
Bobbie Kimble	X
Vinh Nguyen	X
Maury Pearl	X

Guests

Dan Gauthier	X
Bill Gasper	X
Sandra Lepore	X
Anil Jain	X
Violet Amrikhas	X
Ann Tomlinson	X
Ken Takeda	X
Tom Furukawa	X
Maureen O'Brien	X
Ferris Trimble	X
Jamil Ahmad	X
Christopher Bonvenuto	X
Dan Walden	X
Fern Reisner	X

1. **Call to Order** by DBC Co-Chair Dr. Kathleen F. Burke at 1:35 pm.
2. **M/S/P Agenda** approved as presented
3. **Approval of Minutes** – Minutes of February 19, 2014 were approved with corrections for the following:
 - Mr. John McDowell chaired February 19, meeting
 - Section 5 – Enrollment Update – “M/S/P (Monte Perez/Jeff Hernandez/~~Renee Martinez~~) – The DBC Requests that there will be a report to the DBC at the next meeting on what and how much colleges spend on marketing outreach, and recruitments”
 - Section 6 Accreditation Planning for 2016 – 2nd paragraph, “... David Beaulieu ~~questioned-discussed~~ the college autonomy in decision making, district commitment to decentralization, and the District Planning Committee’s role and its membership...”
4. **2012-13 State General Revenue Recalculation and 2013-14 1st Principal Apportionment (P1) Update (Jeanette Gordon)**

Jeanette Gordon reported that the District received the First Principal Apportionment released by the State Chancellor’s Office on February 24, 2014 with a net state general revenue reduction (deficit) to LACCD of \$15.9 million. This includes an increase on \$4.39 million in enrollment growth revenue to the District and a general apportionment deficit of \$21.89 million (or a -4.36% deficit factor). The deficit was primarily from the \$226 million of statewide state revenue shortfalls from the following sources:

- \$160 million lower in RDA residual payments and asset liquidations;
- \$30 million lower in ERAF, and other property tax revenue, and
- \$36 million lower in enrollment fee revenue and others

She indicated that these numbers tend to change significantly by the end of the year, and the final deficit will be much lower than shown in P1. As last year, the deficit was more than 6% at P1, and by the end of the year it has been reduced to approximately ¼ of 1%. Due to this uncertainty, she stated that the \$4.39 million of additional estimated funded growth revenue above the 1.63% state funded growth cap and the -\$21.8 million deficit will not be allocated out to colleges until June 2014 when we receive the Second Principal Apportionment (P2).

As to the \$17.4 million of the 2012-13 State General Revenue Recalculation, she reported out actions taken to date to distribute the \$8,093,113 to colleges:

- \$5,109,131 to cover 1.43% salary beyond a 1.57% COLA;
- \$910,000 to fund 2013-14 FON Subsidy (26 new faculty hires);
- \$288,047 to fund additional staffing in the Education Services Center;

- \$1,094,356 for FY 2012-13 additional funded growth revenue allocated to colleges; and
- \$691,579 additional EPA funding (Proposition 30) in FY2012-13 allocated to colleges.

She also presented a list of proposed items for possible use of the \$9.3 million remainder of the \$17.4 million:

- Funding for a 2% growth over-cap target;
- Summer offerings
- 2014-15 Enrollment Growth Target and FON;
- ELAC and Pierce Reserves;
- District Marketing, Outreach, and Recruitment Campaign;
- Accreditation Planning Activities;
- CURRICUNET;
- Staffing Release Time for SIS Conversion Project;
- College Deficits; and
- Other District/College Initiatives.

The committee discussed how the funds can be distributed equitably to address the needs of all the colleges as to offering more classes for summer sessions, offsetting projected college deficits, returning all or partial college reserves to East LA College and Pierce College. Chancellor Barrera identified \$360k for the purchase of CURRICUNET software application, which is not funded by Bond dollars, \$200k for staff release time for SIS conversion project, and \$150k to provide accreditation planning activities/support for three colleges (Mission, Southwest, and Valley).

Members raised concerns about the need to help those colleges that consistently have deficits, Districtwide support for accreditation planning activities, and the District reserve level. Some members discussed if East LA and Pierce Colleges need to use their reserves, it should be there to allocate to them when needed.

The committee discussed other budget needs such as augmentation for summer offerings, 2014-15 enrollment growth target, and FON subsidy. The committee members were in favor of distributing the remainder of the fund based on earned FTES. Members believed that this would be the fairest way to distribute the funds to address various college needs.

M/S/P (Jeff Hernandez/Marvin Martinez) – to increase the funding for the 2 percent growth over-cap target (2% above the 1.63 percent state funded enrollment growth) by increasing the rate of \$2,324 per FTES to \$4,000 per FTES, and the remaining balance (\$1.3 million) be used to fund other budget needs as discussed. Motion passed unanimously.

Chancellor Barrera announced that there will be a special Board Budget and Finance Committee meeting on March 24, 2014 for the Board Committee to discuss and consider the use of the \$17.4 million and the DBC recommendation.

5. Enrollment Update (Cathy Iyemura)

Cathy Iyemura provided a brief status of the planning for Summer Sessions. She indicated that all colleges are planning to meet the District's enrollment target of 3.63 percent. Several colleges will offer two Summer sessions.

6. College Marketing, Recruitment, and Outreach Survey (Dr. Barrera)

The Chancellor indicated that the college survey has not been completed. It will be reported to the DBC at the next meeting.

7. Second Quarter Financial Projection by College (Jeanette Gordon)

Jeanette Gordon reported that as of the Second Quarter the District was projecting to end the year with \$66.82 million ending balance. Four colleges (C, H, S, and V) were projecting deficits. The ECDBC reviewed the budget plan reports from Southwest and Valley Colleges. For City and Harbor Colleges, they will be asking to submit their self-assessment fiscal reports to the ECDBC if they are still projecting deficits at the third quarter.

8. ECDBC Committee Report and Recommendations (Jeanette Gordon)

It was reported that the ECDBC discussed how to link the District/College Strategic Planning with Budget. The ECDBC received the short presentation from Bobbie Kimble, Acting Vice Chancellor of the Institutional Effectiveness and has requested to provide a presentation about the District Strategic Plan/ Standards to the DBC at its next DBC meeting to help DBC members understand the standards and the ACCJC expectations.

On the request for the Health Services Fee information, the ECDBC has referred back to the DBC Co-chairs to communicate to the CSSO council to address the request.

9. New requested Items requested from DBC members to ECDBC

Request for report on the College Bookstore Operations also other issues related to book sales, profits, and markups. It was suggested that this request is to be refer to the college bookstore managers and the District Administration Council (DAC) to report back to the DBC.

The meeting was adjourned at 3:30 pm.

Future Meetings: May 21, and June 18

(Note: the meeting originally scheduled for April 23 was changed to April 16)