

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE
Educational Services Center
Board Room – First Floor
770 Wilshire Boulevard
Los Angeles, CA 90017
Wednesday, February 12, 2014
2:30 p.m. – 3:30 p.m.**

Committee: Scott J. Svonkin, Chair; Ernest H. Moreno, Vice Chair; and Mike Eng, Member

Trustee Svonkin called the meeting to order at 2:31 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Redevelopment Agency (RDA) Update

A document entitled “Budget and Finance Committee, February 12, 2014, RDA Update:” was distributed.

Ms. Jeanette Gordon, Chief Financial Officer, Chief Financial Officer/Treasurer’s Office, discussed the document with respect to the Redevelopment Agency (RDA) Fiscal Year (FY) 2012-13, Computed State General Revenue for the Los Angeles Community College District (LACCD), the total increase in State General Revenue for FY 2012-13, Required Funding/Budget Issues for Remainder of FY 2013-14, and the Funding Needs for the Remainder of FY 2013-14.

With respect to the potential additional State funded enrollment growth revenue, Trustee Svonkin requested that the Executive District Budget Committee (EDBC) and staff provide a strategic plan and include the total cost of restoring summer school at all of the LACCD colleges and that this item be brought back to the Committee for further discussion.

Ms. Gordon responded that these are preliminary numbers that could change. She indicated that at the end of February the numbers will be more realistic.

Disposition: • ***With respect to the potential additional State funded enrollment growth revenue, Trustee Svonkin requested that the Executive District Budget Committee (EDBC) and staff provide a strategic plan and include the total cost of restoring summer school at all of the LACCD colleges and that this item be brought back to the Committee for further discussion.***

There being no objection, Trustee Svonkin took out-of-order Item C. District Office Positions.

District Office Positions

A document entitled “BF4. 2013-2014 Budget Adjustments” was distributed.

Trustee Svonkin requested that the Auditor position be discussed first and opened the topic for discussion.

A question and answer session was conducted regarding the Auditor position.

Trustee Svonkin entertained a motion to recommend to the full Board the approval of the Auditor position that the District Budget Committee (DBC) approved.

Motion by Trustee Eng, seconded by Trustee Svonkin, to recommend to the full Board the approval of the Auditor position that the DBC approved.

APPROVED: 3 Ayes

Trustee Svonkin opened the topic for discussion of the Research Analyst position.

A question and answer session was conducted regarding the Research Analyst position.

Motion by Trustee Eng, seconded by Trustee Moreno to recommend to the full Board the approval of the Research Analyst position that the DBC approved.

APPROVED: 3 Ayes

Trustee Svonkin opened the topic for discussion of the Data Communications Specialist position.

A question and answer session was conducted regarding the Data Communications Specialist position.

Motion by Trustee Eng, seconded by Trustee Svonkin to recommend to the full Board the approval of the Data Communications Specialist position that the DBC approved.

APPROVED: 3 Ayes

Trustee Svonkin opened the topic for discussion of the Maintenance and Operating Standards Coordinator, Energy Program Manager, and the Facilities Project Managers (2) positions.

A question and answer session was conducted regarding the Maintenance and Operating Standards Coordinator, Energy Program Manager, and the Facilities Project Managers (2) positions for discussion.

Motion by Trustee Eng, seconded by Trustee Svonkin to recommend to the full Board the approval of the Maintenance and Operating Standards Coordinator, Energy Program Manager, and the Facilities Project Managers (2) positions.

APPROVED: 3 Ayes

Trustee Svonkin requested that for FY 2013-2014, the funding for the aforementioned positions be taken from the Unallocated General Fund as opposed to the Contingency Reserve.

Disposition: • ***Trustee Svonkin requested that FY 2013-2014, the funding for the aforementioned positions be taken from the Unallocated General Fund as opposed to the Contingency Reserve.***

There being no objection, Trustee Svonkin took out-of-order Item D. Bond Financing

Bond Financing

A document entitled "Summary of Los Angeles Community College District Bond Program" was distributed.

Ms. Gordon summarized the document with respect to Propositions A/AA and Measure J, projected expenditures per Build-LACCD and the cash flow.

Trustee Svonkin requested that a Special Budget & Finance study session be conducted for Trustees Eng and Moreno regarding the history of the Bond Program as it relates to Propositions A/AA and Measure J issued bonds, and the plan to issue future bonds.

Interim Chancellor Barrera noted that she would arrange a Special Budget & Finance Committee study session within 30 days.

Disposition: • ***Trustee Svonkin requested that a Special Budget & Finance study session be conducted for Trustees Eng and Moreno regarding the history of the Bond Program as it relates to Propositions A/AA and Measure J issued bonds, and the plan to issue future bonds.***

There being no objection, Trustee Svonkin took out-of-order Item B. FON Subsidy.

FON Subsidy

A document entitled "BF3. 2013-2014 Budget Adjustment for FON Subsidy" was distributed.

Interim Chancellor Barrera discussed the document with respect to the 2013-2014 budget adjustment for Faculty Obligation Number (FON).

Com. No. BF3. 2013-2014 Budget Adjustment for FON Subsidy

Trustee Svonkin entertained a motion to amend the language of BF3 as follows:

In the General Fund, transfer \$910,000 from the Contingency Reserve account to account 100000 at East Los Angeles College, Los Angeles Harbor College, Pierce College, Los Angeles Trade-Technical College, and West Los Angeles College. (eBTA: D-0421)

Background: In order to meet the Full-Time/Part-Time faculty obligations for the 2013 Fall Semester at each college, the District is committed to provide a subsidy for 26 new full-time filled faculty positions (see Attachment A). Colleges shall be reimbursed for the difference between the salary and benefit costs paid for a contract faculty position and the adjunct (hourly) faculty position over three-year period. This is the first reimbursement provided by the District at \$35,000 per position.

FISCAL IMPLICATIONS: This action increases the college budgets by \$910,000 and reduces the **Contingency Reserve Unallocated General Fund** by the same amount listed. ~~leaving a balance of \$13,598,036 (2.64%).~~

Amounts will be transferred to each college as follows: East Los Angeles College (\$245,000); Los Angeles Harbor College (\$175,000); Pierce College (\$140,000); Los Angeles Trade-Technical College (\$70,000); West Los Angeles College (\$280,000).

Motion by Trustee Moreno, seconded by Trustee Eng to amend Com. No. BF3. 2013-2014 Budget Adjustment for FON Subsidy as follows:

FISCAL IMPLICATIONS: This action increases the college budgets by \$910,000 and reduces the **Contingency Reserve Unallocated General Fund** by the same amount listed. ~~leaving a balance of \$13,598,036 (2.64%).~~

APPROVED: 3 Ayes

Disposition: • *Trustee Svonkin entertained a motion to change the language as follows: FISCAL IMPLICATIONS: This action increases the college budgets by \$910,000 and reduces the Contingency Reserve Unallocated General Fund by the same amount listed. leaving a balance of \$13,598,036 (2.64%).*

FUTURE DISCUSSION/AGENDA ITEMS

Budget Allocation/Growth Proposal
Update on Cost Savings from Master Agreements (Chancellor's Directive #142)
Schedule for Districtwide Bids on Major Items
Retirement Incentives

FUTURE FINANCE AND AUDIT COMMITTEE MEETING DATES

- March 12, 2014

NEW BUSINESS

None.

SUMMARY -- NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 3:18 p.m.