**DRAFT**

**Los Angeles Community College District**

**District Budget Committee Meeting Minutes**

 May 16, 2012

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

**Roll Call**

 Committee members present as indicated (X).

#  Academic Senate L.A. Faculty Guild

 David Beaulieu X Paul Doose Dana Cohen X Carl Friedlander\* X

 Jeff Hernandez X John McDowell X

 Lauren McKenzie X Armida Ornelas X

Tom Rosdahl X Olga Shewfelt X

Michael Climo X Joanne Waddell X

#  Unions/Association College Presidents

 Allison Jones or Bobbi Kimble X Tyree Wieder X Leila Menzies X Jack E. Daniels III\* X

 James Bradley Jamillah Moore

 Velma Butler or Michael Romo X Monte Perez X Lubov Kuzmik Kathleen Burke-Kelly X

 Richard A. Rosich Marvin Martinez X Roland Chapdelaine X

 Sue Carleo X

 Nabil Abu-Ghazaleh X  **STUDENT REPRESENTATIVE**

Brandon Batham X

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **Also Present**

**Resource Persons Guests**

Daniel LaVista Ann Tomlinson

Cathy Iyemura Ken Takeda

Adriana Barrera Paul Carlson Vinh Nguyen Ferris Trimble

 Jeanette Gordon Tom Furukawa

Yasmin Delahoussaye Mary P. Gallagher

 Tom Jacobsmeyer

**District Office**

Felicito Cajayon Don Gauthier

Joan Steever Allison Moore

Jorge Mata Maureen O’Brien

Karen Martin

Michael Shanahan

**Call to Order**

Co-chair Dr. Daniels called the meeting to order at 1:35.

**Approval of Agenda**

The agenda was approved without changes.

**Approval of minutes for April 18, 2012**

The minutes were approved without changes.

**Election of Co-chair (Administration)**

President Kathleen Burke-Kelly was nominated by President Roland Chapdelaine. There were no other nominees and President Burke-Kelly was elected for a two-year term beginning July 2012.

Carl Friedlander explained that his term as faculty co-chair was also expiring. Members suggested that the election for faculty co-chair be scheduled at the next meeting. It was decided that the faculty co-chair should be elected for a one-year term instead of two to ensure that the elections for both co-chairs do not happen at the same time in the future.

**May Revise (Gordon)**

Jeanette Gordon reported on the Governor’s May Revise budget proposal. The state budget shortfall has grown from $9.2 billion projected in the Governor’s Budget Proposal in January 2012 to $15.7 billion in the Governor’s May Revise. To close the budget deficit the Governor proposed a combination of additional cuts of $4.3 billion in programs and services, $5.6 billion tax revenue from his initiative, and $2.8 million of other revenue.

The State budget proposal in 2012-13 assumes that the Governor’s Tax Initiative passes in November. California Community Colleges would receive an additional $313 million to “buy down” state apportionment deferrals (currently at $961 million).

The current year (2011-12) deficits to California Community Colleges amounted to $491 million, including $129 million of mid-year corrections from student fees and property tax shortfalls. LACCD cuts in 2011-12 would total $47 million. The mid-year deficit correction for LACCD is projected at about $11 million.

She indicated that the Governor’s May Revise budget proposal includes automatic budget cuts (trigger) if the tax measure fails. Proposition 98 would get $5.5 billion in automatic cuts, of which California Community Colleges would share 11% (or about a $300 million cut). This means the system would have a 6.4% workload reduction (or -61,700 FTES). LACCD would receive an additional $27.5 million cut (-6,000 FTES) if the tax initiative fails.

**2011-12 Second Period FTES Report (Cathy Iyemura)**

Cathy Iyemura presented the 2011-12 Second Period FTES report. She reported that the FTES is projected at 102,525, down from 109,350 FTES (2010-11). She indicated that the district’s FTES will be over its base (97,572 FTES). However, several colleges may not meet their credit or non-credit bases.

Members raised the PA reporting issue – it was confirmed that PA reporting will be collected until 30 days after end of the term.

**FON Discussion (Dr. Barrera)**

Dr. Barrera reported 83 FTE short on the FON; the District is planning to fill 67 faculty FTES. She announced that Human Resources will work with the Vice President of Student Services Council (Project 3) to expedite the hiring process. The District will provide a $35,000 subsidy to colleges for each faculty replacement up to 60 positions by September 30, 2012. The subsidy would then be phased out.

**2012-13 Budget Development (Chancellor and Jeanette Gordon)**

Jeanette distributed the Budget Development 2012-13 materials, which were presented to the Board Finance and Audit Committee on May 9, 2012. She walked through the presentation explaining the 2012-13 budget development process, core principles, actions taken by colleges to date, and commitments from balances.

She reported best-case scenario revenue of $501 million and worst-case scenario of $477 million. The District faces the potential of more than a $50 million operating deficit. Colleges are working on developing their contingency reduction plans. To date there is still a remaining $33 million budget gap to close.

The Chancellor emphasized that it is important to communicate and provide information to everyone. He addressed issues on the use of college balances and district reserves. He indicated key policy questions have to be dealt with by the Board and indicated that he would continue to keep regularly in touch and consult with the committee.

Jeanette Gordon further discussed the level of the contingency reserve and the need for having a general reserve. Members questioned the actual accounting of the balance available and contingency reserve set aside. Some concerns were raised regarding actions taken that affect program viability, student success, Achieving the Dream, and the severe impact on educational programs. The Chancellor indicated that he is looking forward to the June 13 meeting with the Board for more detailed discussion and beginning to address long-term planning actions. He urged the Committee to meet soon after the June 13 Board meeting to continue working on the budget issues.

Members also expressed frustration about taking actions to address the budget problems and their impact on students and employees. We need to come up with a way to clearly communicate the impact of cuts on students. Members also raised concerns about the use of balances to close the budget deficit. If the Board changes the policy, it needs to clearly communicate. Some members stated that colleges have sacrificed and have been fiscally responsible in preserving their balances.

The Chancellor indicated that he does not disagree with a need to use some of the balances to address the shortfall. The question is to what level the balances will be reduced.

**Executive Committee of the DBC Report and Recommendation**

Staff reported out that the ECDBC is reviewing the growth funding formula and has looked at the student population/college service areas by zip codes, and college educational attainment data. The ECDBC is also reviewing the State growth allocation formula.

The meeting was adjourned at 4:10 pm

*Next Meeting: June 20*