

# Los Angeles Community College District

## District Budget Committee Meeting Minutes

April 24, 2013

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

### Roll Call

Committee members present as indicated (X).

#### **Academic Senate**

David Beaulieu	X
Tom Rosdahl	X
Dana Cohen	X
Jeff Hernandez	X
Lauren McKenzie	X
Allison Moore	

#### **L.A. Faculty Guild**

Joanne Waddell	X
Olga Shewfelt	X
Carl Friedlander*	X
John McDowell	X
Armida Ornelas	X

#### **Unions/Association**

Bobbi Kimble	
or Allison Jones	X
Leila Menzies	X
James Bradley	
Velma Butler	
Lubov Kuzmik	
Richard A. Rosich	
Jim Adams	

#### **College Presidents**

Farley Herzek**	X
Jack E. Daniels III	X
Nabil Abu-Ghazaleh	X
Monte Perez	X
Kathleen Burke-Kelly*	
Marvin Martinez	X
Roland Chapdelaine	X
Sue Carleo	X
Renee Martinez**	X

#### **Student Trustee Rep**

Joseph Tucker

\* DBC CO-chairs

\*\* Interim

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### Also Present

#### **Resource Persons**

Adriana Barrera  
Jeanette Gordon  
Daniel LaVista  
Vinh Nguyen  
Perrin Reid  
Maury Pearl  
Cathy Iyemura  
Sarah Master  
Chito Cajayon  
Perrin Reid  
Yasmin Delahoussaye

#### **Guests**

Violet Amrikhas  
Rolf Schleicher  
Ann Tomlinson  
Ken Takeda  
Alma Johnson-Hawkins  
Maureen O'Brien  
Chris Bonvenuto  
Daniel Villanueva

## **1. Call to Order**

The meeting was called to order by Carl Friedlander at 1:40. New DBC member Joe Perret, a faculty member from Pierce, was introduced, as was Chris Bonvenuto, the new VP of Administrative Services at Valley.

## **2. Approval of Agenda**

The agenda was approved, with Friedlander noting that the second item under the Executive Committee report (College Debt Repayments) would not be discussed at this time, nor would item #7 (Budget Development Update). The latter will be on the agenda for the next meeting, which will follow the May Revise.

## **3. Approval of Minutes for March 26, 2013**

The minutes were approved with corrections on the 5<sup>th</sup> paragraph of the Executive Committee Report and Recommendations section to read : “...Olga Shewelt inquired about further improvements of data collection for each college in the geographic service areas, specifically the service area of Beverly Hills for the underserved population service by West LA College...”

## **4. Executive Committee Report and Recommendation**

The Executive Committee again presented its Growth/Restoration Funding Proposal, Phase 2 of the new Allocation Model. Jeanette Gordon and Maury Pearl reviewed the discussion at the March 26 meeting. At that time the ECDBC presented three scenarios for Phase 2. Currently growth funding is based on the SB 361 funding formula which caps all colleges at the same funding growth rate as the district's rate, which is determined by the state. The ECDBC looked at factors which could be used to differentiate funded growth rates in order to increase equity of educational opportunity. It was felt that those colleges serving populations with less educational attainment (the “underserved” population) should be given greater proportional funding than the others.

The committee looked at changes in adult population and high school graduation (as used in the state growth model), as well as population density and levels of educational attainment. Given its wish to have the workload reduction restored as a priority, each of the three scenarios include 80% restoration funding. The committee also felt that the state model for growth should be incorporated to some extent. Below are the three scenarios:

- Scenario I -- 80% SB 361 and 20% state model
- Scenario II -- 80% SB 361, 10% adult population share, and 10% state model
- Scenario III -- 80% SB 361, 10% underserved population share, and 10% state model

The ECDBC recommended the third scenario. It believes the underserved population share is a more important factor than the population share.

At the March meeting a number of requests were made. One was to see the scenarios with 2% growth rather than 4%. Another was to have clear guidelines and a definition of terms provided. A third was to see the distribution with 20% given following the underserved share and none using the state model. Three documents showing these were distributed.

David Beaulieu described the problem with following the state model, in terms of increasing equity, since it deals with change only, not the underlying underserved total. Pearl reviewed the definition of the underserved population. Friedlander called the proposal a "bold step," the first instance of a California community college district including an equity adjustment in its budget model. He added, however, that the practical implication would be modest, at least until the workload reductions have been fully restored.

Marvin Martinez and Olga Shewfelt asked about what evaluation was planned for the proposal. After some discussion, it was decided that Phase 2 should be evaluated at the same time as Phase 1. Since Phase 1 is on a three-year time frame, with one year almost completed, both will be fully evaluated in two years. Meanwhile, it's anticipated that they will be informally assessed next year.

Dana Cohen noted that City would be hurt by the proposal, and Renee Martinez asked that the service area population totals be reviewed again, in particular the way feeder schools are determined. Pearl said that all data would be updated annually. Given census data newly available, that is now feasible.

After some further discussion, the proposal to recommend Scenario III, with the addition of the evaluation timeline, to the chancellor was passed unanimously.

Gordon described the Board Finance and Audit Committee plan to put out an RFP for an auditor to study the efficiency of the district procurement and accounts payable processes. Auditing of other district processes is likely to follow. Beaulieu noted that the DBC has often discussed the importance of improving district efficiency, and steps had been taken in the past, but the job had never been adequately completed. Development of the Functions Handbook, for example, led to clear work flow charts, but didn't specify the amount of time a given process should take.

## **5. 2012-13 Second Period FTES Report**

Cathy Iyemura reported that we are projecting 97,759 FTES for 2012-13, with 93,108 of that credit. The non-credit FTES projection has decreased for both regular and enhanced to where regular non-credit is projected below current base. However, we have state office assurance that we can increase funded enhanced FTES to avoid loss of revenue. While all colleges have scheduled some summer offerings, five must report a significant portion of summer FTES in the current year to meet funding goals. For those colleges, this means they begin the new year with a large portion of summer expense but diminished FTES to report. This increases the challenge of capturing growth in the future. Positive attendance hours remain difficult to project now; but we hope to have better tools for monitoring progress when we implement PeopleSoft to collect positive attendance hours.

## **6. 2012-13 Third Quarter Financial Status**

Gordon presented the 3rd Quarter Projections. The ending balance is likely to be as high as \$81.8 million, or over 16% of the total budget, assuming that there is no mid-year deficit. The balance carryover from last year is \$74.6 m. If the deficit occurs (due to the state not backfilling for the missing RDA funds), then the balance would be reduced to \$52.5 m. The best current information, however, is that there will be no deficit.

The General Reserve is at \$23.4 m (5%) and the Contingency Reserve is at \$24.3 m (5%). The latter had been \$35.2, or 7.5%, but \$9.9 m was returned to the colleges. Only \$900 k has been spent on special needs. This is unlike recent years, where the funds were largely spent in the course of the year.

Current projections show three colleges running deficits: Mission (\$208 k), Valley (\$976 k), and Southwest (\$1.7 m). The District Office is showing a deficit of \$1.5 m.

Due to cash flow problems owing to state payment deferrals and EPA funds not received until June, the district will issue up to \$80 m of TRANS to meet its cash flow requirements for the rest of the year.

## **7. 2013-14 Budget Development Update**

This item was not discussed.

## **8. Notice of DBC Co-Chair Election (Faculty)**

Friedlander announced that he is retiring as of June. His term as co-chair ends at that time, also, so an election will be held at the next meeting. It was reiterated that all members of the DBC vote for both co-chair positions.

#### **9. DBC Recommendations to the Chancellor**

The DBC recommendation for Growth/Restoration Funding will be sent to the chancellor. If accepted by him, it will be incorporated into the August budget proposal that will be presented to the Board.

The meeting adjourned at 3:05.

The next meeting will take place on May 22.

--D. Beaulieu