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## Los Angeles Community College District

### District Budget Committee Meeting Minutes

March 26, 2013

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

#### Roll Call

Committee members present as indicated (X).

#### **Academic Senate**

David Beaulieu  
Tom Rosdahl X  
Dana Cohen X  
Jeff Hernandez  
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 X  
Lubov Kuzmik  
Richard A. Rosich  
Jim Adams

#### **College Presidents**

Farley Herzek\*\*  
Jack E. Daniels III X  
Nabil Abu-Ghazaleh  
Monte Perez X  
Kathleen Burke-Kelly\* X  
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

#### **Guests**

Mary Gallagher  
Michael Shanahan  
Ann Tomlinson  
Ken Takeda  
Tom Furukawa  
Maureen O'Brien  
Paul Carlson  
Daniel Villanueva  
Violet Amrikhas  
Jorge Mata

## **1. Call to Order**

The meeting was called to order by Dr. Burke-Kelly at 1:35.

## **2. Approval of Agenda**

M(Cohen)/S/P to approve the agenda.

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

M(Chapdelaine)/S/P to approve the minutes of 2/13/13 without changes.

## **4. State Budget**

J. Gordon distributed a CCLC handout entitled “Adult/Non-Credit Education: Current Law, Governor’s Proposal and Community College Response.” The paper urges that the legislature reject the proposal to defund NC and CDCP classes. She also reported that there is a draft State Chancellor’s Accounting Advisory on how to report the EPA money which would be more flexible on allowing spending of the EPA money on student support services areas.

## **5. Accrediting Commission Visit Update**

The Chancellor reported that Accrediting Teams would visit Mission, Pierce and Valley during the week of March 11 and the final Commission reports will not be available until early July. As usual, we would expect the teams to provide the draft of the teams’ preliminary reports within the next couple of weeks. Colleges will have opportunity to review the reports and make corrections and clarify matters related to the recommendations. The Commission will meet June 5-7 to finalize the Commission reports and take actions on the comprehensive evaluation of the Colleges. College presidents may exercise their rights to appear before the Commission and/or to send them written reports to respond to their recommendations. Dr. LaVista reported that there will be a special Board meeting on Thursday, March 28, 2013, to receive and approve the Special Fiscal Policy Report from Valley College to send to the Commission.

## **6. Enrollment Planning**

Cathy Iyemura reported that Spring offerings were about 2 to 3 percent less than last Spring. Spring enrollments were about 4 to 5 percent less than last Spring. She indicated that class sizes are not as strong as before. Five colleges (CPSVW) are planning for Summer FTES to be reported the current year. There are colleges that have to report Summer FTES in the current year. Noncredit offerings have been very close to the base. Some colleges may experience decline in noncredit FTES. There needs to be some discussion about allowing colleges to shift noncredit FTES into enhanced noncredit and/or credit FTES to prevent loss of base funding.

## **7. FON Planning for 2012-13**

Dr. Barrera distributed the document “Fall 2013 FTEF Projected LACCD Individual College:

“Required Hires to Achieve a 2% Increase Over Fall 2012 Calculated FTEF Amount.” She reported that March 21 was the official cutoff date for early retirees. The FON for current year is at 1445. The goal for next year is expected to be 1476 fulltime faculty, which include 2% over Fall 2012 or 30 additional fulltime faculty for growth. The number of faculty positions to be filled at each college was taken into account, considering late retirees from last Spring, estimated early retirees for Fall, and 30 new positions for growth. The District and colleges are looking at college budgets, college ability to hire, and full-time/part-time ratio to bring colleges up to at least 60% in allocating the fulltime hiring obligations to colleges. Colleges are also looking at a number of vacant positions in critical areas, areas with special requirements, and external program requirements. The District is aggressively recruiting and advertising to hire faculty.

## **8. First Principal Apportionment Adjustments/EPA Update**

Vinh Nguyen distributed a handout and reported the First Principal Apportionment (P1) released by the State Chancellor’s Office included the following state revenue revision:

- a. \$76.2 million for the EPA fund;
- b. \$5.12 million for enrollment growth fund;
- c. A mid-year deficit factor of \$29 million or 6.3% mainly due to RDA shortfall; however, there is state assurance that the RDA shortfall will be backfilled.

Jeanette Gordon indicated that it will be recommended to the Chancellor and Board to use the District’s reserves to offset any mid-year deficit factor to avoid cuts to the college budgets.

The revised EPA distributions to colleges were also provided in the handout materials. It was also reported that the First Period FTES projection showed significant decline in noncredit FTES (-22%) from 2,900 FTES to 2,261 FTES. The District reported 98,650 FTES, including about 1,829 unfunded FTES.

John McDowell inquired whether the District received any over-cap funding for three consecutive years of unfunded growth FTES under the state funding growth formula. Vinh Nguyen responded that the state has been using the growth funds to restore the workload reductions over the last few years, which amounted to \$190 million in 2009-10 and \$310 million in 2011-12. It will take several years for the system to restore the workload reductions.

## **9. Executive Committee Report and Recommendations**

Dr. Burke-Kelly reported out the ECDBC growth funding proposal for discussion and consideration. A document entitled “Growth/Restoration Funding Proposal for 2013-14 and Future Years” was distributed. The proposal is part of Phase II of the Allocation Model review and brought forward to the DBC for consideration. The current growth funding is based on the SB 361 funding formula which caps all colleges at the same funding growth rate based on the district’s annual funded growth rate as determined by the State. The ECDBC looked at several factors that could be used to differentiate funded growth rates for the individual colleges: changes in adult population, changes in high school graduation, population density, levels of

educational attainment, and the size of the underserved population in the college service areas.

Maury Pearl provided a brief preview of three growth simulations based on 4% growth:

1. Scenario I – 80% SB361 and 20% State Model;
2. Scenario II – 80% SB 361, 10% adult population share, and 10% State Model; and
3. Scenario III – 80% SB 361, 10% underserved population share, and 10% State Model: Underserved population is defined as the adult population (25 and above) in the college service area (by zip code) that have educational attainment of high school equivalent or below.

The ECDBC is recommending Scenario III, which will both provide a large percentage of growth for workload restoration and promote funding equity. Some colleges will grow at a slower rate, and some colleges will grow at a faster rate. In recommending Scenario III instead of Scenario II, the ECDBC weighted the underserved population as a more important factor than just population share.

Dr. Burke-Kelly indicated that the implementation of the new growth funding formula can be rolled out in 2013-14 or delayed until the workload reductions are fully restored. The ECDBC did not have a consensus on how and when to roll out this new formula. C. Friedlander emphasized that the growth proposal represents only modest changes. J. Waddell requested another simulation with emphasis on underserved population instead of State Model as shown in Scenario I. John McDowell stated that even though it is a small change, the purpose of modifying the growth allocation is to address college needs and underserved population.

Armida Ornelas requested more clarification on the State Model component in the proposal. Olga Shewfelt inquired about further improvements of data collection for each college in the geographic service areas, specifically service area for West LA College. Dr. Carleo recommended developing some guiding principles for the changes, definition of terms, and assurance of using updated data for the model.

Dr. Burke-Kelly asked the members to consider this discussion as the first reading of the proposal and bring the issue back to their colleges to have discussion with the college constituents to get additional input for consideration at the next DBC meeting.

Dr. Monte Perez inquired about the accrediting issue about the effectiveness of the allocation model and the evaluation of the new model. Dr. Burke-Kelly recalled that when the allocation was amended last June, it was said that the allocation would be evaluated in three years.

Members recommended running a simulation on a 2% growth cap and another scenario with 80% SB361 and 20% Underserved Population. Members also recommended that the ECDBC develop a set of guiding principles for the proposal and provide a glossary of the concepts and terms for more clarity.

The meeting adjourned at 4:10 pm.