

# Budget Committee Meeting

May 23, 2013, 3:15 PM

Minutes

## Present:

Ken Takeda	VPAS, Chair
R.L. Sprague	VPAA
Phyllis Braxton	VPSS
Olga Shewfelt	AFT Faculty
Eric Ichon	Teamsters
Nabil Abu-Ghazaleh	Guest, President
Fran Leonard	Guest, College Council
Hansel Tsai	Resource, Admin Services
Maureen O'Brien	Resource, Admin Services

1. **Call to Order/Approval of Agenda.** The meeting was called to order by the Chair at 3:30PM. A quorum was not immediately achieved so the approval of the agenda was postponed.
2. **Approval of Minutes.** The minutes of the January 24, 2013, February 28, 2013, and April 25, 2013 meetings were postponed due to the lack of a quorum.
3. **Old Business:** none
4. **New Business:**

### **Item 4a. 3<sup>rd</sup> Quarter Financial Projection (March close).**

Ken Takeda referenced the College's Quarterly report which was projected on the screen at the front of the room. As of March 31, 2013, the College projected an ending balance of \$1,728,349. The District projected an ending balance of \$2,213,083. The difference was \$484,734. This difference can arise from many factors. Firstly the District's projection is primarily based on formula: each line item is calculated as actual cumulative expenditure to March 31 plus (3 X April expenditure). If April is a typical month, then this method should be accurate. However, April 2013 is not typical, primarily because of the cost of summer semester, one-third of which will be charged to June. District projected only \$75K in additional expenditure; the College expects an additional expenditure of about \$300K. In other areas, the College is projecting conservatively.

**Item 4b. District Budget Committee, May 22.****Debt Repayment:**

The District Budget Committee heard the first reading of a proposal from the DBC's Executive Committee to change the method for college repayment of internal debt arising from a year(s) of negative ending balances. Repayment of debt has been suspended for the last two years and resumes next fiscal year. The proposal would cap annual debt repayment to 3% of allocation and forgive ½ the debt if a college succeeds in repaying ½ in the first 3 years of repayment. During these 3 years (consecutive) of repayment the college would also have had to balance their budget. West's annual repayment would be unchanged at \$110K but \$238K of its' debt of \$596K could be forgiven under the new policy.

**Item 4c. The Governor's May Revise:**

Ken Takeda commented on the Governor's May revision budget proposal. The May revision was disappointing in that it did not offer more funding to community colleges commensurate with the increase in income tax revenues received the state in 2013. Additional funds for 2012-13 are applied toward paying off past payment deferrals and \$30M is added to the 2013-14 funding for the Student Access and Support categorical program, formerly called Matriculation. Funding for COLA and enrollment growth was reduced by \$20M from the January proposed budget and added to the Student Access and Support program. However, the Legislature may pass a more generous 2013-14 budget than the Governor proposes in reliance upon a more optimistic revenue expectation offered by the Legislative Analyst's Office.

**Item 4d. FY 2013-14 Tentative Budget:**

Ken Takeda confirmed that the college submitted a budget to the District balanced to West's allocation of \$29.3M. However, this budget underfunds instructional costs until the college's 2012-13 ending balance is received in full. Furthermore, the tentative budget includes an amount for COLA at 1.66% and growth at 2%. Eric Ichon asked what would happen if those amounts are reduced in the state's final budget. Ken Takeda responded that LACCD staff has proposed to the District Budget Committee that any reductions in COLA or growth in the final state budget will not be passed on to the colleges, that the District contingency reserve would be used to make up the difference. The Chair also pointed out to the Committee that West's allocation has increased from 2012-13 by only \$200K.

**Item 4e. Replacement of Classified Staff:**

Ken Takeda summarized the college's policy. A budgeted classified position that becomes vacant may be filled without coming to the Committee because there is no budget impact. Proposed new positions must go through the Program Review

process. Eric Ichon asked why custodial service had declined so noticeably in 2012-13. Ken Takeda responded that there were three transfers in this time period and replacement hiring has been slow, an exception to policy driven in part by the uncertainty about 2013-14 funding. Olga Shewfelt remarked that she had received many complaints about dirty bathrooms. Eric Ichon asked if, when custodial service must be reduced for any significant period of time, is there a plan for how the reduction will be implemented. His observation is that certain buildings, or certain tasks like trash pickup, are neglected rather than all buildings and outside areas receiving reduced services.

**Item 4g. Selection of Co-Chair:**

Ken Takeda remarked that Adrienne Foster at the last Budget Committee meeting had asked how the co-chair election should be done. Olga Shewfelt responded that action on the election of co-chairs has been delayed because 1) we don't want to implement for only one committee, others may want co-chairs as well and 2) discussion is needed to establish a process. She indicated that by fall 2013 a process will be in place and elections can go forward. Ken Takeda asked how co-chairs were elected in the Committees that currently have them. Olga Shewfelt responded that in the case of the Technology Committee there was a faculty person who was already engaged and qualified, Vidya Swaminathan. In the case of the Facilities Committee, the need was urgent due to the crisis in the Bond program, and Jane Witucki was willing to accept the responsibility.

**International Student Program:**

The chair asked if there were any other topics that needed to be covered in this meeting. Bob Sprague responded that he would like to report an action that had budgetary impact. The college's Resource Management Committee has recommended the hiring of an additional full-time person to assist in the International Student Support Office. The need is urgent as the number of international student applications has increased considerably in the last few years and the processing of these applications is very labor intensive. Mr. Sprague suggested that a portion of the income generated from international student tuition, about \$800K this year and in the budget for next year, be earmarked to support this new position. Eric Ichon added that our advertising and marketing for international students has yielded results but that we lose students because we cannot process them quickly enough. In his opinion it would be wise to increase staff so the college can grow more in this area.

**Approval of the Minutes:**

As a quorum was achieved for this meeting, the Chair asked for an approval on the minutes of the last three meetings. The minutes were approved by consensus.

**Next Meeting Date:**

Some discussion ensued as Eric Ichon said he would be unable to attend a meeting on the next scheduled date of June 27, 2013. An alternate date which would cover both the June and July meetings was suggested, July 11, 2013.

**Adjournment:**

The meeting was adjourned by the Chair at 4:35PM.