

Budget Committee Meeting
January 25, 2012
Minutes

Present: John Oester (Administrative Services), Betsy Regalado (Student Services), Judith Ann Friedman (Academic Affairs), Olga Shewfelt (AFT Faculty Guild), Vidya Swaminathan (AFT Faculty Guild), Adrienne Foster (Academic Senate), Eric Ichon (Teamsters), Fran Leoanrd (Guest), Ara Aguiar (Guest), Rebecca Tillberg (Guest), Hansel Tsai (Resource) Maureen O'Brien (Resource), Helen Lin (Resource)

Agenda item "Achieving the Dream Cost Projection" moved to next Budget Committee meeting.

1. Minutes of the December 7 meeting:
Attendance roster correction: Matsuhara and Hager should be shown as guests rather than representatives. Minutes approved by consensus.
2. State Budget Situation:
\$9.2 billion shortfall in state budget in current year. Potential \$5.1 billion shortfall next year. Governor proposes \$4.2 billion spending reduction, \$4.3 billion tax initiative, and \$1.4 billion in other reductions. The California community colleges will have no COLA, growth, or restoration of categorical funds. If the tax initiative fails, CCC will lose \$218.3 million deferral buyback and will have additional potential cut of \$264 million. Student enrollment fees declined this year because of an increase in BOG waivers. State received \$100 million less in enrollment fees than in past years. Revenue reduction will be distributed among districts.
3. District Budget Situation:
If tax initiative fails LACCD will have additional \$22.7 million (5%) budget reduction. District's FY12-13 preliminary budget will be based on the Governor's budget proposal and include a 1.52% workload reduction from tier 2 trigger cut for 2011-12. President's have been asked to develop another budget plan incorporating the additional 5% cut.
4. College Budget Implications:
FY 12-13 FTES target reduced to 6,661. If 5% cut is implemented then FTES target will fall to 6245. There is a possibility that the 5% cut may not be a workload reduction, in which case the college will have to reach the 6,661 FTES target but cut 5% from expenses other than faculty. WLAC will implement a freeze of vacant positions. The District will most likely implement a hard freeze on all vacancies.
5. FON Targets:
To meet FON requirements, WLAC will hire 3 faculty positions for the Fall semester: Computer Science, Dental Hygiene, and Counseling. Adrienne Foster noted that the FPIP was not consulted with the Academic Senate.

6. FY11-12 and FY12-13 Budget Projection:

We are projecting a \$896k surplus for the current fiscal year. Next fiscal year college will run a \$1.6 million deficit at the 1.52% reduction level. Deficit will be \$2.29 million if we are required to cut additional 5%.

7. District work on a new allocation model:

The current LACCD allocation model is based on a college's FTES and a \$500k supplement. District is working on a new allocation model that takes into account a college's core administrators, square footage of the campus, and FTES. Olga mentioned at the DBC meeting that a college's FON requirement should be added to the new model.