

Budget Committee Meeting

November 21, 2013, 3:00 PM

Draft Minutes

Present:

Ken Takeda	VPAS, Chair
Michael Goltermann	for VPSS Phyllis Braxton
Adrienne Foster	Academic Senate
Judy Chow	Academic Senate
Vidya Swaminathan	AFT Faculty Guild
Olga Shewfelt	AFT Faculty Guild
Dionne Morrissette	AFT Classified
Eric Ichon	Teamsters
Nabil Abu-Ghazeleh	President and guest
Helen Lin	Resource, Academic Affairs
Maureen O'Brien	Resource, Admin Services

1. **Call to Order/Approval of Agenda.** The meeting was called to order by the Chair at 3:14 PM. The Chair requested that agenda item 4d, the PIE report be delivered first. Eric Ichon suggested an additional agenda item – the creation of a decision-making process for the expenditure of the instructional grant. The Chair suggested that this topic be covered under item 4b on the agenda. Olga Shewfelt motioned to approve the agenda, Vida Swaminathan seconded the motion.
2. **Approval of Minutes.** The minutes of the October 24, 2013 meeting were adopted by motion of Adrienne Foster and 2nd by Eric Ichon with the following correction. Ken Takeda's comments in #4 regarding the "instructional support block grant" should be augmented with "the predecessor to the instructional support grant, the IELM, was commonly split 50/50 library/information technology."
3. Old Business: None.
4. **d. PIE Committee Report.** Carmen Dones, co-chair of the PIE committee, presented the monthly report. She stated that the validation process was time consuming because in order to "reject" a program review every individual item has to be rejected. Progress is slow on validation. December 2 is the close date. Ken Takeda commented that the time allotted for review/rejection/re-review was too short and requested an extension if possible. Olga Shewfelt reiterated this request. Ms. Dones said an extension is possible and she would request one. She commented that other

processes are dependent on validation. In answer to Olga Shewfelt’s question, Ms. Dones stated that when no validation occurs, the system “closes without comment.”

e. **Proposed Date Change for Joint Meeting.** This date change is requested because the current date 2/27/14 conflicts with an ATD commitment. The purpose of the joint meeting is to review program review resource requests. The Committee agreed to meet on March 6 at 3:00PM after College Council.

a. **Allied Health Request for Supplies Budget.** Carmen Dones requested a budget augmentation in the form of an annual supply budget to cover primarily the cost of paper towels. The Dental Hygiene program has grown dramatically in the last few years and their paper towel needs for a larger space and a larger program (a recent clinic included 23 dental chairs) have strained the Plant Facilities supply budget. Estimated annual need \$4,232. Vidya Swaminathan suggested that the Plant Facilities budget be increased to accommodate this need. Ken Takeda concurred. Adrienne Foster reiterated that College departments should not have to make this kind of request; it should come from Plant Facilities. Olga Shewfelt agreed and noted that a process needs to be defined because the campus is growing. She mentioned that some classrooms lack erasers. The President stated the need to address the Facilities Master Plan and suggested a “service level” approach through the Facilities Committee. Plant Facilities should present their needs and may use differing service levels depending on the area served.

Ken Takeda summarized this discussion. Dental Hygiene will receive the needed paper towel supplies. There will be no separate line item in the dental hygiene budget. Plant Facilities will help define service levels for different areas. Carmen Dones asked how academic departments communicate their supply needs. Ken Takeda suggested that Plant Facilities be asked the cost of increased supplies that are needed to complete the fiscal year. Then Plant Facilities should prepare a request for operational supplies needed, college-wide.

b. **1st Quarter Financial Meeting.** Ken Takeda stated that on November 7, 2013, the college administration met with district budget, finance, and attendance accounting staff to review financial and enrollment results for the quarter ended September 30 and projections for the year. The table below summarizes the financial projections reviewed at the meeting:

	<u>College Projection</u>	<u>District Projection</u>
Beginning balance	\$ 2,472,981	2,473,981
Total revenues	\$ 33,355,445	33,190,695
Expenditures	<u>\$ 32,592,695</u>	<u>32,563,214</u>
Year-end balance	\$ 762,750	627,481

Full-time equivalent Students (FTES) are projected at **7,009**, up from 2012/13 actuals of **6,774**, and more than the current year's funded base of **6,747**, the state-funded growth of **6,857**, and the state + district-funded growth of 6,992.

For purposes of reading the detailed expenditure schedule, the Committee should be aware that the college showed the cost of COLA in a separate line item, whereas the district showed the COLA incorporated in each applicable salary line. Adrienne Foster asked why there was such a large difference between the college's (116,168) and the district's projection (41,410) for equipment. Was this because the college has budgeted for the replacement of stolen equipment? The Chair explained that the district projected at budget and the college projected at a larger amount because budget did not yet include the equipment amounts authorized by the new approved prioritized funded projects for F2014. Ken Takeda also referred the Committee back to last meeting's discussion of setting up a \$50K equipment reserve.

- c. **Other Financial Reports.** Ken Takeda spoke to this agenda item. The state's Legislative Analyst's Office fall budget forecast was released on November 20. It predicts large increases in the minimum guaranteed funding for K-14 education under Proposition 98. \$3.1 billion over the FY1314 budget and \$3.3 billion for FY1415. However, the manner and timing of funding increases are subject to decisions by the Legislature and the Governor.

The Chair reminded the Committee that the discussion about RDA backfill highlights the risk to community college funding now and in the future. With regard to state funding, community colleges have moved from a favorable balance between state general fund revenue (2/3) and property tax revenue (1/3). State general fund revenue is fed by income and sales taxes which are more predictable than property taxes. Community college funding now only 1/3 from the general fund and 2/3 from unstable revenues. K through 12 is protected because the law requires backfill if taxes not sufficient. One way to deal with this uncertainty is to build up and protect reserves, which explains LACCD's protection of reserves. Another strategy is to increase international student enrollment.

Adrienne Foster asked how the SSSP funds will be allocated at West. Will all the funds, \$563,000, go into Student Services, the old matriculation account or will Academic Affairs SB1456 be involved? The President stated that the conversation at WLAC has not progressed far enough to provide an allocation process. Michael Goltermann suggested requesting funds through Program Review. The President stated that the Institutional Effectiveness committee would be more appropriate. Ken Takeda stated that most Community Colleges have not yet spent the funds because of the strings attached: a 3:1 match which could upset the 50% law. Olga Shewfelt asked if all the funds must be expended in this fiscal year. Ken Takeda stated that there is a special exception this year which will allow funds to be carried forward. It will be a priority of the League to

advocate for a continued carry forward provision. However, this will not solve the structural problem of the 3:1 match. Ken further commented that it appears that the legislature strongly supports the SSSP because it makes community colleges responsible for results. He expects this categorical program to persist; others may not.

- f. **District Budget Committee 11/13/13.** Ken Takeda stated that at its meeting of November 13, the DBC approved funding for 9 of 10 new positions requested by the Educational Services Center beginning in FY13/14. This is in addition to five positions previously approved by the Chancellor and the Board. This matter goes before the BOT Budget and Finance Committee on December 4. Also recommended by the DBC are changes to the policy governing repayment of past budget deficits by the colleges. These changes would require WLAC to accelerate its repayment period from 5 to 3 years, beginning in FY13/14, and double its 13/14 payment of \$119K to \$239K in both FY14/15 and FY15/16. Also, colleges with new presidents would be exempted from debt repayment for one year. The new president exemption applies to all the other debtor colleges: City, Harbor, Southwest, and Valley. Under the new rules those colleges would likely also have some of their debt forgiven. Ken Takeda further stated that he supports the need for new staff in the district office. Also, new staff is good for the accreditation effort because the relationship between the district and the colleges will come under scrutiny.

Olga Shewfelt noted that she saw a good recommendation resulting from the DBC discussion of the new positions. When the DBC recommended that the positions be approved, college spokespersons objected because college budgets would have to absorb the increased overhead. A compromise emerged which modified the recommendation to include the need to tie additional expenditure to revenue. In this case the revenue might be district reserve rather than each college's administrative assessment.

5. **Adjournment.** Ken Takeda announced that the next meeting could be scheduled for December 12 or postponed until January 23. The meeting was adjourned at 4:50pm.