

Budget Committee Meeting

July 19, 2012

Minutes

Present:

Ken Takeda	VPAS, Chair
Robert Sprague	VPAA
Adrienne Foster	Academic Senate
Michael Goltermann	Dean of Student Services
Olga Shewfelt	AFT Faculty Guild
Eric Ichon	Teamsters
Abel Rodriguez	SEIU
Nabil Abu-Ghazaleh	President/Guest
Judy Chow	Academic Senate
Fran Leonard	Guest
Steve Aggers	Athletics Director/Guest
Helen Lin	Academic Affairs/Resource
Hansel Tsai	Admin Services/Resource
Maureen O'Brien	Admin Services/Resource

1. **Call to Order/Approval of Agenda.** Meeting called to order by the Chair at 1:15 PM. Current agenda approved as written. Adrienne Foster requested that the next meeting agenda address the Accreditation Committee recommendation #7, the linkage of resource planning and budgeting.
2. **Approval of Minutes.** Corrections were proposed to the minutes of the May 17, 2012 meeting and these minutes were then approved as corrected...
3. **Old Business** (none).
4. **New Business:**

a. District Budget Committee, July 18.

- Ken Takeda projected and reviewed a power point presentation from the DBC meeting, July 18, 2012, called "2012-13 Enacted Budget and Its Impact on the District Budget" which is hereby included in these minutes. Olga Shewfelt asked how LACCD would allocate a potential 5M restoration allocation if the November tax initiative passes. Ken Takeda said he had not heard any discussion of how the colleges would share in this increase, but conjectured that it would be distributed according to the new allocation model.

- Special attention was paid to the slide titled “Financial Forecast for Fiscal years 2011-12, 2012-13 and 2013-14. Olga Shewfelt asked the Chair to explain the meaning of “workload reduction”. Ken Takeda responded that there were two ways that the State of California could reduce the allocation to colleges, 1) reduce the number of FTES that are reimbursed for and 2) lower the reimbursement rate. Recently the first option has been employed and in terms of the WLAC budget a “workload reduction” generally translates into a reduction of hourly instructional costs. Mr. Takeda called attention to the column titled 2013-14 which resulted in a negative fund balance. He said this result was for illustration only; a negative fund balance would not be allowed so serious cuts would be called for.

b. **2011-12 Budget.** The June Monthly Projection was projected for informational purposes. The Report was submitted on July 3rd and was based on financial information available at that time; the projected surplus was \$1,473,902. Since that time more adjustments have occurred and the surplus is tracking at about \$1,589,000. Utility costs have been less than expected and grant administrative support has still to be posted.

c. **2012-13 Budget.**

- i. State enacted budget was covered in 4a.
- ii. District budget was also covered in 4a.
- iii. **College Budget**

1. **Tentative Budget.** The proposed allocation for WLAC in 2012-13 has been reduced from \$26,133,357 to \$25,957,477 to accommodate the desire of the Board of Trustees’ s to maintain two reserves: a general reserve of 5% and a contingency reserve of 7.5%.

2. **Contingency Reduction Plan.** Ken Takeda announced that “The 2012-13 Planned Contingency Reduction Plan” was submitted to Jeanette Gordon on Monday, July 16, 2012. If it is accepted, we will be able to restore earlier cuts because the ending balance is healthy. A copy of this Plan is included as part of these minutes. In connection with this Plan, Adrienne Foster asked what the \$70,032, non-hourly teaching was composed of. Ken Takeda responded that it was composed of \$15,191 for academic senate which was budgeted in 2011-12 but not used, \$35,000 for an Articulation Officer, and a \$19,841 reduction of Library tutor hours. Adrienne Foster expressed concern that without an Articulation Officer, we place the college transfers in jeopardy. Also, by reducing library hours we are further undermining an area that has been cited as below standard in the recent Accreditation report. Ken Takeda responded that we will have to address library needs, both collections and library tutors in 2012-13. Eric Ichon commented that the budget for Business supervision costs seemed disproportionately high, 3 times the 2010-11 budgeted amount. Steve Aggers commented on the “defunding” of Men’s and Women’s Cross-

Country and requested that if cut to the athletics program is needed, he would appreciate being consulted so that he could review all the sports and make a decision that would hurt the college the least. President Abu-Ghazaleh reiterated that Cross-Country and Articulation have not been “cancelled”, only “de-funded.” Since this is a “worst-case” budget, there may be improvements in the budget depending on the results of the November ballot.

iv. **Final Budget.** A schedule was projected which listed each college’s allocation for final budget, and is hereby included in these minutes. Ken Takeda remarked that, in summary, the final budget is a cut back to baseline level which can be adjusted according to 1) program review, and 2) accreditation issues. Olga Shewfelt requested that if handouts are not disseminated prior to the meeting, that they be available in hard copy at the meeting. Eric Ichon asked how WLAC’s \$1,3M deficit gap would be handled. Ken Takeda responded that presumably it would be covered by the District’s new contingency reserve. Abel Rodriguez remarked that it looked like the “potential gap closers” section of the Contingency Reduction Plan would not be needed if the tax initiative passes. President Abu-Ghazaleh responded that likely the 2012-13 budget would not need labor adjustments, but that the 2013-14 would, because there would no longer be District reserves sufficient to absorb campus losses. Olga Shewfelt reiterated that any proposed labor changes must be negotiated. President Abu-Ghazaleh brought the Committee’s attention to areas of budget improvement that he foresees in the future: 1) in April 2013, new lease revenue should be available from Food Service and, 2) next year the square footage for the new buildings should be recorded and increase the WLAC allocation under the new model.

5. The meeting adjourned at 3:00pm.