

Budget Committee Meeting

September 27, 2012, 2:30 pm

Minutes

Present:

Ken Takeda	VPAS, Chair
Betsy Regalado	VPSS
Judy Chow	Academic Senate
Dionne Morrissette	AFT Classified
Olga Shewfelt	AFT Faculty Guild
Eric Ichon	Teamsters
Rebecca Tillberg	Guest, Academic Services
Maureen O'Brien	Resource, Admin Services

1. **Call to Order/Approval of Agenda.** Meeting called to order by the Chair at 2:50 pm. Current agenda approved as written.
2. **Approval of Minutes.** The approval of the minutes of the August 30, 2012 meeting was postponed because a quorum had not been achieved.
3. **Old Business** (none).
4. **New Business:**
 - a. **District Budget Committee, September 5, 2012.** The Chair reviewed selected topics and information from the most recent DBC meeting:
 - **“Planning for Tax Initiative Implications,” pages 2 & 3.** The Chair called attention to pages 2 and 3 of the District’s power point presentation. Page 2 shows the measures already taken by the District to address the budget shortfall occasioned by the Governor’s current budget: a \$63M shortfall has been reduced to \$21.1M. Page 3 outlines proposals that would require negotiation to be implemented; they could reduce the \$21.1M shortfall to \$2.4M. Betsy Regalado asked if suspending the GASB 45 contributions (retiree health care benefits) would negatively impact the accreditation review. The chair noted that the requirement is that the district “must have a plan” to address this matter, not that the plan must be funded. At this time, LACCD retiree health benefits are partially funded, the annual contribution being about \$40M. With regard to salary savings, VP Regalado asked if furloughs would apply to positions funded outside

of the general fund. The Chair replied that he is aware that this issue has been discussed but as yet no conclusions have been reached.

- **“Planning for Tax Initiative Implications,” page 4.** The Chair further elaborated on the items noted under “Areas for Financial Review”. The first bullet, “parking fees” refers to a proposed increase from \$20 to \$45 for students and a new charge of \$45 for faculty and staff, both per semester. The “centralization of redundant functions,” bullet number 2, refers to business services only at this time. The general idea is that the colleges could achieve savings by transferring an employee(s) from admin services to the District to perform certain functions (e.g., payroll, personnel, accounts payable). In time attrition would reduce the District salary costs. Olga Shewfelt asked what criteria would be used to decide what functions are redundant. Ken Takeda answered that the Administrative Vice Presidents are discussing the development of criteria, but guidelines have not yet been developed. If an early “retirement incentive plan,” bullet number 3, is offered, it would likely be a 2+2 plan, 2 years of service credit plus 2 years added to a person’s age. The 4th bullet, entitled “analyze selected student services,” generally refers to the DSPS and CDC subsidy from the general fund. This subsidy is complicated by the experience of other colleges who provide a subsidy but have to fund these programs from 10100 at a higher level at year end because they have not performed within budget. West, he noted, stays within budget on both programs. The last item, “employee benefits”, would affect new employees only and could involve employee payment of some or all of dependent premiums.
 - **“Planning for Tax Initiative Implications,” page 5.** Negotiation has not yet begun. Regional forums relates to getting out information on Proposition 30. Discussion is in the direction of these forums being ASO events.
 - **“Analysis of Balances.”** The Chair drew the committee’s attention to the DBC handout of this title but did not elaborate except to say that it is a simulation of the use of carry-forward balances. Only columns “a,” “b,” and “c” are actual numbers.
- b. **Monthly Projection and Financial Plan.** “The Monthly Projection – First Report” was distributed to the Committee and the Chair commented that it is based on only one month of actual expenditure and is, therefore, highly unreliable. Olga Shewfelt reiterated that this is a “worst case” budget. The Chair concurred and noted that if the tax initiative passes, West should experience a budget increase of about 1.4M. Next meeting, the Chair announced his plan to explain the backup schedules for this report and how they work.

- c. **Revenue Generation.** This item references the President's memo to the Finance & Audit Committee of the Board of Trustees dated 10/3/12 which is part of the Committees packet of handouts. The chart on the first page shows last fiscal year's actual non-apportionment revenue compared to this year's projection. Most additional revenue comes from facilities rental and includes the one-time gift from the Foundation from the summer 2010 Gala fund-raising event. Dionne Morrissette asked if the College advertises for the use of campus facilities for events and film production. Ken Takeda said that the College sub contracts with an organization that supplies venues for film production. Olga Shewfelt asked if there were any guidelines available from Board Rules or District Administrative Regulations to provide a framework for facilities rentals. She also asked if West's facilities rental contracts were long term. Ken Takeda responded that service contracts are limited by State law to 5 years, supplies contracts to 3 years. Leases are permitted for longer terms. The pattern for campus contracts is usually 5 years, with 5 subsequent years at option. He also mentioned that Chapter 7 of the Board Rules would contain general rules for contracts.
- d. **Budget Committee's Role vis-à-vis the Planning Committee.** The chair directed members to the budget development calendar included in their meeting materials. He reminded the Committee that the first real work on next year's budget occurs in January. The earliest touch point between the PIE Committee and the Budget Committee would occur prior to March 1 when the Preliminary Budget is loaded. Here we could reflect priorities coming out of Program Review. The next opportunity occurs with the adjustments culminating in the Tentative Budget which occur between April and June. Changes can still be made so more alignment possible in this window. The last opportunity occurs in July and August just before the Final Budget but this period is really too late because departments need a preview of their budget in order to plan for the new year. Rebecca Tillberg, Chair of the Planning & Institutional Effectiveness Committee, spoke to the need for alignment and systematic assessment of current resource allocation which would be used to plan for the future – something we don't currently do. Perhaps we could pull outcome measures from various master plans and assess results. She said she hopes to kickoff program review next week. We also need to develop plans for reduction of resources. Eric Ichon volunteered to lead a brainstorming session with a subgroup of the Committee in order to bring options to the whole Committee. Ken Takeda commented that if Prop 30 passes, we should know before budget development exactly how much funding is available for assignment.
5. **Adjournment.** At 4:20 pm the meeting was adjourned.

