Members Present:

Ex-Officio: Marvin Martinez
Co-chairs: Susan McMurray, Abbie Patterson
Administration: Leige Doffoney, Nina Malone, Luis Rosas, Sandra Sanchez, Ann Tomlinson
Faculty: Juan Baez, Sally Fasteau, Rod Oakes, Jim Stanbery, Mark Wood, Brad Young
Classified: Ivan Clarke, Laksham Desilva, Timothy Mariner, Claudette McClenney, Lori Minor
ASO: Yui Fan
Resources: Kristi Blackburn, Bill Englert

A. **Call to Order**

Meeting called to order at 9:10am.

B. **Opening Remarks (M. Martinez)**

Today’s Retreat is an opportunity to engage the campus community on the status of the State budget, its impact on the LACCD, and further impact on Harbor College. These budgetary changes force Harbor to re-evaluate its position in the community and ask, “Can we afford to be all things to all people?” What are our core programs? What are the goals of a community college? Community colleges have a mandate to now focus on Basic Skills, Transfer, and CTE courses and programs.

Introduction to the Budget Work Group, made of faculty, staff and administration, will present its findings. Members include: Sally Fasteau, Marvin Martinez, Lauren McKenzie, Susan McMurray, Abbie Patterson, Luis Rosas, Nestor Tan, Ann Tomlinson, and Brad Young.

The purpose and goals of the retreat:
- Clarify issues with the budget (am)
Scenario 1: Tax increase proposed by Governor Brown is approved
- CA Public Policy Institute shows 60% of voters support community colleges and would support tax hike
- President Martinez is engaged in community outreach

Scenario 2: Tax increase is not approved
- A series of more budget cuts will follow
  - The school budget has been cut by 5% every year for the last number of years
  - Do we continue decreasing sections to accommodate these cuts? Need to review other structural changes by:
    - Eliminating/downsizing programs
    - Local initiatives to improve revenues: The District will cover part of this year’s gap with District reserves at seven (7) of the nine (9) college (only East & Pierce will have surpluses), changes in resource allocation formula
    - Fee increases: fell short of projections as more students then applied for BOG waiver, fall unit fee will increase from $36 to $46/unit
    - Contracts: last year brought in $43,000 in facilities contracts
    - Grants: Last year saw $6 million in grant dollars
    - Fund-raising campaigns – LAHC Foundation & Athletics

Special thank you to Tim Davis for sending a list of 25 ideas to generate dollars, which was forwarded to the Chancellor
- Clarify shared governance by-laws (pm)

C. Budget Work Group Committee Presentation

L. McKenzie delivered a powerpoint presentation outlining the known history of budget problems at Harbor College, the business model the college operates on, and emphasized that because the state of CA is the major source of revenue (94%) for the college any change at the state level affects the school in a major way.

A. Tomlinson presented projected revenues and expenditures as of December Closing for Harbor showing a $729,988 deficit for the 2011-2012 year (part of which is covered by the GAP dollars from the District Office), leaving a true deficit of about $329,000.

M. Martinez commented that the new FON is 7 for LAHC, and the college plans to proceed with new faculty hires to meet the FON. Additional revenues generated by the college can help offset cuts to close this deficit, but this fiscal year has to end in a balanced budget otherwise the school will receive no more financial assistance from the District Office.

M. Martinez initiated discussion on the recommendations from the District Task Force on funding allocation model changes (see handout) and noted that in other multiple-college districts smaller schools are also disproportionately affected. This Recommendation is step one (1) of a number of steps being taken district-wide to streamline and become more efficient throughout; step three (3) will be a district-wide assessment. This re-allocation model also addresses an increase in M&O dollars to campuses, which is a solid response for accreditation team questions (being raised already) regarding how campuses will keep up with their new buildings. A. Tomlinson noted this new formula will be phased in to ease cuts to certain large campuses in the District such as East LA.
L. Rosas presented FTES Projections, which Harbor has been forced to lower. In order to reach this new lower number, Academic Affairs will have to cut sections to below 700 sections (current plan was for 730 fall 2012 sections).

Harbor will focus on recruiting international and out-of-state students, as their fees are higher and help cover costs of entire sections. Current class size is 47.5, compared to 39 or 40 that District reports. Paul Grady, Director of the International Student Program at LAHC, has a committee creating a master plan for the development of this program and all are invited to attend these meetings. J. Stanbery requested a summary sheet explaining/detailing issues pertaining to the recruitment of international students, such as office staffing, hiring recruiters in foreign countries, liability insurance policies, etc.

BREAK – resume at 11:07am

D. Budget Work Group Recommendations

B. Young introduced Plans A-E, which detail five (5) different budget scenarios for LAHC. It was noted that Plan A lists figures by semester, Plans B-E by year. Plan C is a $1.8 million reduction, $1.4 million if the proposed state-wide tax increases are approved (which would not be seen in dollars until January 2013). Plan D includes a 50% reduction in Athletics and 7% cut from both Academic Affairs and Student Services, while Plan E cuts out 100% of Athletics, at a reduction of $1.8 million. A request was made by J. Stanbery and L. Doffoney to see revenue figures on these same charts. These scenarios were created to give examples of what budget reductions would look like campus-wide within the three (3) clusters, and to allow the campus to understand the impact of different cuts by percentage by cluster/area. It was also noted that Admin & Records, under Student Services, includes the Welcome Center, International Student Office, as well as the Child Development Center. No one Plan is recommended at this time by the Work Group Committee.

There was ample discussion of criteria to look at when determining what programs to cut, including student transfer rates, scholarships receipts, retention rates and job placement, and mention was made that programs with low enrollment and low retention should perhaps be looked at first. There were advocates of many programs voicing concern over possible cuts to their programs and the potential impact on students and community.

BREAK – resume at 12:30pm

After consultation with administration and committee members, CPC Co-Chair S. McMurray announced the afternoon session would resume budget discussion and review of the Shared Governance Document would occur at a later date.

E. Discussion

M. Martinez requested consensus by group of Plan D, an overall 7% cut equaling $1.8 million.

Consensus reached.

S. McMurray presented a list of 43 Ad Hoc Sub Committee Recommendations for potential savings, with a list of 10 guiding principles attached.

N. Barakat requested consensus by group of agreement to not make section cuts that would put the school below the 6200 FTES base.
Consensus reached.
Other points made include:

- Cuts will be heavier in fall 2012 in hopes that fewer cuts will be needed (or reinstatement of some items will be possible) for spring 2013
- Friday, 1/27/12 is the deadline for Division Chairs to submit their fall 2012 class schedules
- Student fees will rise to $46/unit from $36/unit beginning fall 2012, impact on student enrollments as yet unknown
- Ability To Benefit test will no longer be used (affecting non-high school graduates), satisfactory progress will need to be proven and will be attached to BOG fee waivers, students above 110 units will be charged full fees; all impacts on student enrollments as yet unknown
- Repeatability changes, impact on student enrollments as yet unknown
- Counselors from local high schools voiced concern over proposed cuts to LAHC Outreach classes, which would have adverse implications for this year’s graduating seniors, specifically at Narbonne High School

M. Martinez requested commitment in dollar amount from each cluster to contribute to $1.8 million in cuts from 2012-2013 LAHC budget.

Consensus reached at the following: $400k from Student Services, $1.1 million from Academic Affairs, and $400 ($364) from other.

Meeting adjourned at 3:00 pm.