

CERTIFICATION

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Guadalupe M. Orozco
Name

Assistant Secretary to the Board, do hereby attest or
certify that the attached is a full, true, and correct copy of BUSINESS AND FINANCE COM. NO.
BF2 – BUDGET AND FINANCE ROUTINE REPORT ROMAN NUMERAL I. ADJUSTMENTS TO
UNRESTRICTED INCOME/APPROPRIATIONS – adopted by the Board of Trustees at the
regular meeting of December 5, 2012.

I further attest or certify that the attached document is on file in the Board of Trustees Office, Official Actions of the Board of Trustees of the Los Angeles Community College District, and that I am custodian of such records.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed this 3rd day of May 2013 at Los Angeles, California.



Guadalupe M. Orozco
Assistant Secretary to the Board



Board of Trustees

ACTION

Los Angeles Community College District

Com. No. BF2

Division: BUSINESS AND FINANCE

Date: December 5, 2012

Subject: BUDGET AND FINANCE ROUTINE REPORT

I. ADJUSTMENTS TO UNRESTRICTED INCOME/APPROPRIATIONS

- A. Conduct a public hearing prior to the approval of the District's spending plan using the Education Protection Act (EPA) funds. The spending plan is limited to classroom expenses and cannot be used for salaries and benefits of administrators and any administrative costs in accordance with the language of Proposition 30.
- B. Authorize the following budget adjustments to state revenues and college appropriations in the Unrestricted General Fund. (eBTA: D-0467):
 1. Income – Increase of \$35,213,804
 2. Appropriations* – College budgets are augmented as follows:

COLLEGE	RESTORATION OF 7.285% WORKLOAD REDUCTION	PROJECTED GROWTH FUNDING	TOTAL EPA FUNDS
City	\$4,405,778	\$548,407	\$4,954,185
East	\$6,751,684	\$840,413	\$7,592,097
Harbor	\$2,103,802	\$261,870	\$2,365,672
Mission	\$1,881,573	\$234,209	\$2,115,782
Pierce	\$4,522,683	\$562,959	\$5,085,642
Southwest	\$1,556,109	\$193,696	\$1,749,805
Trade-Tech	\$3,757,543	\$467,718	\$4,225,261
Valley	\$4,025,282	\$501,045	\$4,526,327
West	\$2,184,137	\$271,869	\$2,456,006
ITV	\$125,630	\$17,397	\$143,027
TOTAL	\$31,314,221	\$3,899,583	\$35,213,804

*Source: Annual Statewide Budget Workshop, 2012-2013, July 31, 2012

- C. Approve the District's spending plan as submitted by the colleges and shown in **Attachment I**.

Recommended by: *Adriana D. Barrera* Approved by: *Daniel J. LaVista*
 Adriana D. Barrera, Deputy Chancellor Daniel J. LaVista, Chancellor

Chancellor and Secretary of the Board of Trustees
 By *Madalyn mfr* Date *12/5/2012*

Candaele <input checked="" type="checkbox"/>	Santiago <input checked="" type="checkbox"/>
Field <u><i>U</i></u> <input checked="" type="checkbox"/>	Svonkin <u><i>M</i></u> <input checked="" type="checkbox"/>
Park <u><i>Absent</i></u>	Veres <input checked="" type="checkbox"/>
Pearlman <input checked="" type="checkbox"/>	Campos <u><i>Absent</i></u>

Student Trustee Advisory Vote

Board of Trustees

Los Angeles Community College District

Com. No. BF2

Division: BUSINESS AND FINANCE

Date: December 5, 2012

Background: On August 22, 2012, the Board of Trustees adopted the 2012-13 Final Budget with a 7.28% Workload Reduction (\$31.3 million reduction in state general revenue) assuming that Proposition 30, The Schools and Local Public Safety Protection Act of 2012, would fail. However on November 6, 2012 voters passed Proposition 30 to provide funding for K-12, community colleges, and public safety. As a result, California Community Colleges will avoid mid-year trigger cuts of \$338.5 million and will receive \$209 million in new funding.

The District will receive approximately \$15 million to buy down \$92 million in annual state cash deferrals and \$35.2 million (\$3.9 million for restoration/growth and \$31.3 million to restore state general apportionment funding at 7.28%).

**Los Angeles Community College District
Proposition 30 - Education Protection Act (EPA) of 2012
DISTRICT SPENDING PLAN**

EPA Fund

Restoration of Workload Reduction (7.285%) \$ 31,314,221

Projected Enrollment Growth Revenue 3,899,583

Total Projected EPA Fund \$ 35,213,804

BF2

ATTACHMENT I

SPENDING PLAN

	FALL 2012	WINTER 2013	SPRING 2013	SUMMER 2013	TOTAL
Teaching, Regular (full-time) Salaries			11,168,167 <u>8,816,902</u>		\$ 11,168,167 <u>\$ 8,816,902</u>
Teaching, Hourly Salaries	2,938,694	771,269	15,194,747 <u>17,433,586</u>	389,600 <u>502,026</u>	19,294,310 <u>21,645,575</u>
Tutoring			61,874		61,874
Counseling			74,594		74,594
Instructional Aides, Salaries			480,023		480,023
Employee Benefits	285,053	74,813	3,675,577 <u>3,664,672</u>	37,791 <u>48,697</u>	4,073,235
Instructional Media Materials			61,601		61,601
Total Spending Plan	\$ 3,223,747	\$ 846,082	\$ 30,716,583 <u>\$ 30,593,252</u>	\$ 427,391 <u>\$ 550,723</u>	\$ 35,213,804

Los Angeles Community College District
Proposition 30 - Education Protection Act (EPA) of 2012
2012-13 Spending Plan
By College

Total Projected EPA Fund \$ 35,213,804

Revised 12/04/12

	<i>2012-13 Spending Plans Submitted by College</i>	<i>City</i>	<i>East LA</i>	<i>Harbor</i>	<i>Mission</i>	<i>Pierce</i>	<i>Southwest</i>	<i>Trade-Technical</i>	<i>Valley</i>	<i>West LA</i>	<i>ITV Program</i>	<i>Total</i>
1.	Fall 2012 -Teaching, Hourly Instructional Salaries				1,038,694	1,900,000						\$ 2,938,694
2.	Winter 2013 - Teaching, Hourly Instructional Salaries							350,000	421,269			771,269
3.	Spring 2013- Teaching, Hourly Instructional Salaries	3,800,000		2,200,000	956,128	2,191,842	1,595,082	3,501,651	950,044	<u>2,238,839</u>		15,194,747 <u>17,433,586</u>
4.	Spring 2013 -Teaching, Full-time (Regular) Instructional Salaries		6,186,520						2,630,382	2,238,839	442,426	11,168,168 <u>8,816,902</u>
5.	Summer 2013 - Teaching, Hourly Instructional Salaries	190,000			100,800	98,800					112,426	389,600 <u>502,026</u>
6.	Tutoring								61,874			61,874
7.	Counseling								74,594			74,594
8.	Instructional Aides - Salaries	480,023										480,023
9.	Employee Benefits Associated with Salaries Above	453,162	1,405,577	165,672	20,160	895,000	154,723	373,610	388,164	217,167		4,073,235
10.	Instructional Media Materials	31,000									30,601	61,601
Total EPA Spending Plan		\$ 4,954,185	\$ 7,592,097	\$ 2,365,672	2,115,782	\$5,085,642	<u>\$ 1,749,805</u>	\$ 4,225,261	\$ 4,526,327	\$ 2,456,006	\$ 143,027	\$ 35,213,804

**Proposition 30 - Education Protection Act (EPA)
DISTRICT INSTRUCTIONS AND GUIDELINES
2012-13**

In order to provide clear and consistent direction regarding the acceptance and use of funds resulting from the passage of Proposition 30, the Education Protection Act (EPA), the following guidelines are provided. **These guidelines are in lieu of more specific instructions from the State, which will be forthcoming.** As such, these guidelines may change, at which point updated instructions will be disseminated.

General background and guidelines for allowable expenditures of Proposition 30 funds:

• *"What is the background/purpose of the fund?"*

On November 6, 2012, voters passed Proposition 30, the Schools and Public Safety Protection Act of 2012, to provide funding for K-12, community colleges, and public safety. This measure guarantees solid, reliable funding for schools, community colleges, and public safety while helping balance the budget. It also guarantees that the new revenues will be sent directly to school districts for classroom expenses, not administrative costs. This school funding cannot be suspended or withheld no matter what happens with the state budget.

California Community Colleges will avoid mid-year trigger cuts of \$338.5 million and will receive \$209 million in new funding. \$50 million will be in the form of growth funding to help restore some of the FTES lost in recent years and \$159.9 million will be to buy down system cash deferrals.

• *"What are allowable expenditures?"*

The funds received from Proposition 30 must be used for classroom expenses, not administrative costs.

These include:

- Salaries for classroom instruction
- Other instructional activities such as counseling, instructional aides, tutoring, and instructional and media materials
- This list is not all inclusive, but care must be taken to only expend the funds for the intended purpose

• *"What expenditures are not allowed/prohibited?"*

The funds received from Proposition 30 must not be used for salaries and benefits of administrators or any administrative costs.

These include:

- Release and reassigned time for any administrative work
- Other administrative costs such as non-teaching extra assignments for administrative work and administrative overhead costs

- You must ensure that any expenditure charged to Fund 10106 does not contradict the intended purpose of the funding
- *"Which general ledger (G/L)/commitment items/functional areas (expenditure activities) may be used?"*
 - G/L items in the following series (*subject to change when the state guidelines are published*):
 - 11XXXX – Salaries for Instruction, Contract Salary Schedule
 - 13XXXX – Salaries for Instruction, Non-Contract Salary Schedule
 - 22XXXX – Salaries for Instructional Aides, Regular Salary Schedule
 - 24XXXX – Salaries for Instructional Aides, Other Than Permanent
 - 39XXXX – Benefits costs associated with any salaries assigned to the fund
 - 44XXXX – Instructional Media Materials
 - Functional areas (activity codes) in the instructional activity range:
 - 0100 – 5900 and 6110
- *"What restrictions are in place regarding the movement of funds?"*

EPA funds cannot be transferred to any other funds except for Winter Intersession (Fund 10099, 10098 for ITV) and Summer Session 2013 (Fund 10213). Due to strict audit protocols pertaining to Proposition 30, all funds and expenditures must be carefully accounted for and are required to be justified as classroom expenses, not administrative costs.

- *"What obligations must be met by the Board of Trustees of a community college district receiving Proposition 30 funds?"*

A community college shall have sole authority to determine how the moneys received from the Education Protection Act are spent in the college or colleges within its jurisdiction, provided that the appropriate governing board or body shall make these spending determinations in open session of a public meeting of the governing board.