TO: CO-CHAIRS, DISTRICT BUDGET COMMITTEE (DBC)
Marvin Martinez
John McDowell

FROM: Chancellor Francisco C. Rodriguez

RE: DBC Recommendation on the Distribution of $57.67M from the State Mandate Reimbursement Fund

DATE: August 26, 2015

Thank you for the August 12, 2015, list of recommended uses for the $57.67M from the State Mandate Reimbursement Fund. I have had time to review the recommendations and am writing to formally support the list with a couple of modifications:

- Increasing the Funds for STRS and PERS Future Obligation from $19M to $20M
- Increasing Proposition 30 Temporary Tax contribution from $5.3M to $8.3M, and
- Decreasing the SIS Project Completion from $7.9M to $3.9M this year.

The changes are noted in the attached document and are included as part of the 2015-16 Final Budget to be reviewed and considered for approval at the September 2, 2015, Board of Trustees' meeting. I am supportive of all other intended uses as recommended by DBC.

I appreciate the recommendations fixed around the four district institutional goals, which aligns well with accreditation standards. Other recommendations include bolstering marketing and branding for the district and colleges; paying for the SIS system from non-bond funds; funding recommendations from the Blue Ribbon Task Force on Campus Safety and Emergency Preparedness; investing in professional development (including custodian training) and expansion of international student programs, to name a few. Prudently, about half of this one-time money ($28.3M) is invested for future costs of CalSTRS and PERS contributions and dollars for a post-Prop 30 environment. The recommendations also address the interests of the governing board’s Budget & Finance Committee to augment class offerings and basic skills, and student support services, like tutoring and library hours. All in all, the DBC has done a very nice job of capturing both immediate impact activities for students and long-term investments for the next rainy day.

Thank you both for your continued leadership on DBC, extend my best to the committee on a job well done. Please contact me if you have any questions.

COPY: CFO Jeanette Gordon
EXHIBIT I

2015/16 LACCD Budget Development
Chancellor's Recommendations
Uses of $57.67 million State Mandate Reimbursement Fund
(ECDBC 07/28/2015, DBC 08/12/2015)
(Chancellor's Revisions 08/24/2015)

LACCD STRATEGIC PLAN GOALS

Goal 1: Access and Preparation for Success ($26.45M)
- $8.5 million - Increase class offerings - to fund additional 2% over-cap enrollment growth above 3% funded growth.
- $2 million - Basic Skills Initiative (focus on developmental education)
- $3.5 million - Develop marketing and outreach campaign; social media app's; websites' redesign; radio spots, publications, including Developing International Student Outreach program.
- $250,000 - Conduct enrollment management study
- $7.9 3.9 million - SIS Project Completion (1 year)
- $6.3 8.3 million - Proposition 30 Temporary Tax, Sales Tax Expires End of 2016

Goal 2: Teaching and Learning for Success ($5.5M)
- $2.5 million - Bolster support student services, i.e. tutoring, library hours
- $250,000 - Provide start-up funds for West Los Angeles College baccalaureate degree program
- $250,000 - Develop Leadership Development/Succession program
- $2.5 million – Faculty and Staff Professional Development and Training, including expanding professional development opportunities, DAS proposal, instructional technology, culturally-responsive teaching strategies, awarding mini-grants for faculty teaching innovations, and expanding new faculty orientation and training

Goal 3: Organizational Effectiveness ($24.615M)
- $18.5 million - District/Campus Safety/Centralized Sheriff's Contract
(-$18.5 million - Free up funds from assessments to colleges and redirect the funds for Goal 1 and 2 above).
- $49.20 million - Funds for STRS and PERS Future Obligation (Restricted)
- $1 million - Fund districtwide 2016 Accreditation activities
- $2.5 million – District network connectivity and disaster recovery
- $1 million - Fund recommendations from Blue Ribbon Campus Safety & Emergency Preparedness Committee: Emergency Preparedness Office and Clery Act and Title IX Training Activities.
- $115,000 – Adjunct Health Benefit Contribution Adjustment (one-time)

Goal 4: Resources and Collaboration ($1.104M)
- $904,000 - Chancellor’s Resource, Collaboration, and Innovation Fund for Revenue-Generating initiatives
- $100,000 - Districtwide Resource Development and Institutional Advancement
- $100,000 – Van de Kamp Center - infrastructure, contract education coordination, adult education, and workforce development services