



## **Enrollment Update Budget and Finance Committee April 27, 2016**

### **I. 2015-16 Second Period FTES Projection (Exhibit A)**

The first period FTES report (CCFS-320) was submitted to the State Chancellor's Office and reported **107,397 FTES** or **3.0% growth over base**. College growth rates and FTES submitted to the state are displayed in Exhibit A. The District had previously reported 4.62% FTES growth in its First Period FTES Projection. In consultation with the colleges, the growth rate was revised downward to reflect the decline in Spring 2016 enrollment and the need to retain sufficient summer FTES to be reported in 2016-17.

### **II. Recalculation of 2014-15 LACCD Based FTES (Exhibit B)**

To meet its 2014-15 4.75% FTES target, the District submitted an additional 592 FTES in its 2014-15 Annual Report (July 2015). Based on most recent the P1 recalculation by the state (March 2016), which corrected a previous calculation error, the District was determined to have 298 unfunded FTES. Because of this error, the state allowed a one-time shift of these 298 FTES from 2014-15 to 2015-16. On April 19, 2016 the District submitted a revised 2014-15 Apportionment Attendance Report to reflect this adjustment. The attached memo (Exhibit B) describes the FTES that will be credited back to the colleges for 2015-16 reporting.

### **III. Historic FTES Growth: 2012-13 to 2014-15 (Exhibit C)**

Exhibit C provides context for the District's 2015-16 Second Period FTES report. The table and chart display the most recent three-year trend in FTES growth by college. Over the period 2012-13 to 2014-15, District FTES growth has been 6.6%. In addition, over this timeframe six colleges experienced growth of over 7.5%, with two colleges approaching or exceeding 10% growth.

## 2015-16 LACCD Second Period FTES Report

College	2nd Period FTES	2015-16 FTES Base as of Recalc	% Growth
City	13,388	13,451	-0.5%
East	24,357	23,262	4.7%
Harbor	7,008	6,739	4.0%
Mission	6,647	6,453	3.0%
Pierce	15,600	15,232	2.4%
Southwest	5,701	5,428	5.0%
Trade-Tech	13,259	12,653	4.8%
Valley	13,416	13,338	0.6%
West	7,666	7,291	5.2%
ITV	353	422	-16.4%
<b>District Total</b>	<b>107,397</b>	<b>104,269</b>	<b>3.0%</b>



## LOS ANGELES COMMUNITY COLLEGE DISTRICT

EAST • CITY • HARBOR • MISSION • PIERCE • SOUTHWEST • TRADE TECHNICAL • VALLEY • WEST

**DATE:** April 15, 2016

**To:** College Presidents

**FROM:** Ryan Cornner, Vice Chancellor, *RC*  
Educational Programs & Institutional Effectiveness

**SUBJECT:** Revision to FY 2014-15 320 Reporting

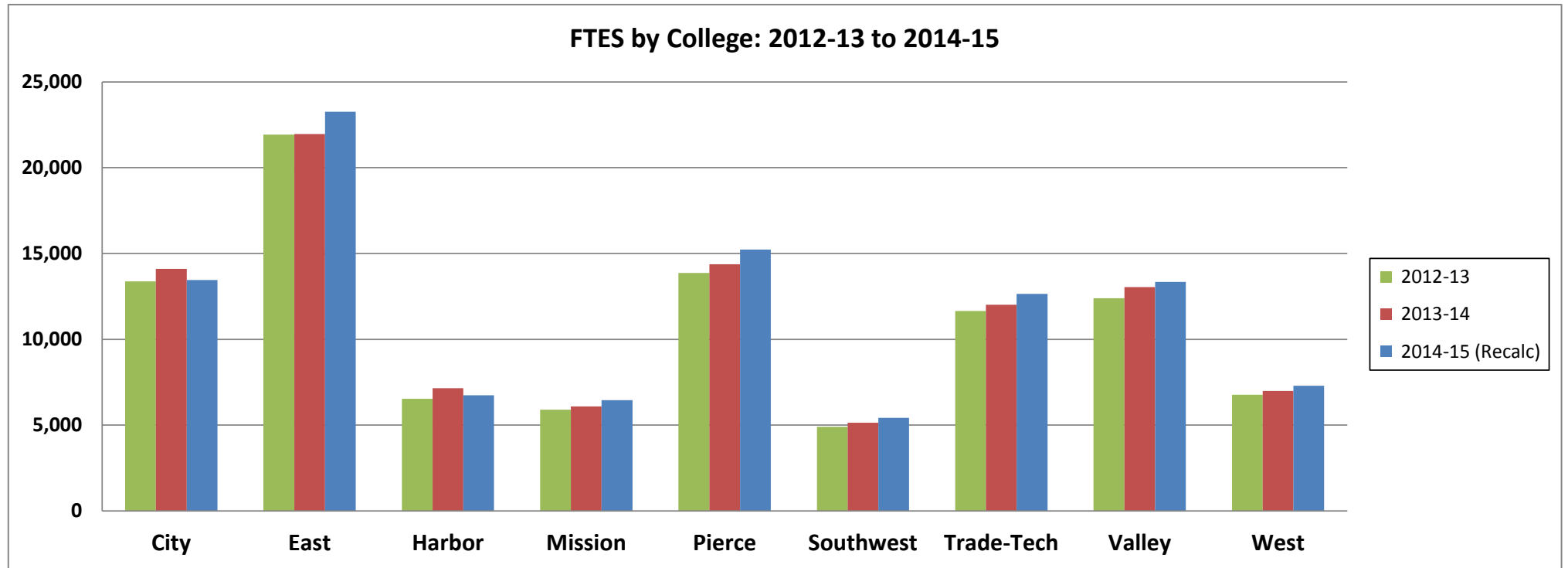
We have been informed by the State Chancellor's Office of an error in their internal calculations for the fiscal year 2014-15. This resulted in unfunded FTES for some districts, including ours. This fix resulted in 298.7 unfunded FTES to LACCD. Because of their error, the Chancellor's office is permitting a one-time resubmittal of the annual 2014-15 320 report, allowing districts to shift any eligible Summer I 2015 daily census FTES previously recorded in 2014-15 into 2015-16.

In a memo dated July 23, 2015 from Chancellor Rodriguez, colleges moved a total of 592 eligible Summer I FTES in order to meet a 4.75% enrollment target. Due to the opportunity to resubmit the 2014-15 320 report, we will be shifting 298 of these FTES back to the colleges in the same proportion in which the colleges moved the original 592 FTES. The results are as follows:

College	Summer I 2015 FTES shifted in 2014-15	% of Total Contribution	Summer I 2015 FTES shifted to 2015-16
City	0	0.0%	0.00
East	165	27.9%	83.26
Harbor	15	2.5%	7.57
Mission	100	16.9%	50.46
Pierce	150	25.3%	75.69
Southwest	0	0.0%	0.00
Trade	125	21.1%	63.08
Valley	0	0.0%	0.00
West	37	6.3%	18.67
<b>Total</b>	<b>592</b>	<b>100.0%</b>	<b>298.73</b>

### FTES by College 2012-13 to 2014-15

<u>Year</u>	<u>City</u>	<u>East</u>	<u>Harbor</u>	<u>Mission</u>	<u>Pierce</u>	<u>Southwest</u>	<u>Trade-Tech</u>	<u>Valley</u>	<u>West</u>	<u>Total (including ITV)</u>
2014-15 (Recalc)	13,451	23,261	6,739	6,453	15,232	5,428	12,653	13,338	7,291	104,269
2013-14	14,106	21,963	7,153	6,097	14,378	5,149	12,019	13,042	7,000	101,383
2012-13	13,384	21,923	6,531	5,899	13,868	4,900	11,656	12,401	6,774	97,858
<b>3-Year Growth: 2012-13 to 2014-15</b>	<b>0.5%</b>	<b>6.1%</b>	<b>3.2%</b>	<b>9.4%</b>	<b>9.8%</b>	<b>10.8%</b>	<b>8.6%</b>	<b>7.6%</b>	<b>7.6%</b>	<b>6.6%</b>



**LOS ANGELES COMMUNITY COLLEGE DISTRICT  
FISCAL VIABILITY - FRAMEWORK OF INDICATORS  
PROPOSED GOALS FOR FY 2016-17**

	<b>GOALS</b>
<p style="text-align: center;"><b>Required Goals</b></p> <p><b>1. Fund Balance</b> <i>Ending Unrestricted General Fund balance as a percentage of total expenditures</i></p> <p><b>2. Audit Findings</b> <i>Overall Unmodified opinion and no material weaknesses</i></p> <ul style="list-style-type: none"> <li>• Audit Opinion Financial Statement</li> <li>• State Compliance</li> <li>• Federal Award/Compliance</li> </ul> <p style="text-align: center;"><b>Optional Goals</b></p> <p><b>1. Salary and Benefits</b> <i>Salaries and benefits as a percentage of Unrestricted General Fund expenditures, excluding other outgoing expenditures</i></p> <p><b>2. Full-time Equivalent Students</b> <i>Annual number of full-time equivalent students</i></p> <p><b>3. Annual Operating Excess/(Deficiency)</b> <i>Net increase or decrease in Unrestricted General Fund balance</i></p>	<p>Minimum 10%</p> <p>Unmodified</p> <p>Unmodified</p> <p>Unmodified</p> <p>85% to 87%</p> <p>1% or 2% Overcap</p> <p>no deficiency</p>

**LOS ANGELES COMMUNITY COLLEGE DISTRICT  
UNRESTRICTED GENERAL FUND  
2016-17 BUDGET PLANNING AND DEVELOPMENT  
FISCAL VIABILITY - FRAMEWORK OF INDICATORS  
PROPOSED GOALS FOR FY 2016-17**

INDICATOR	2016-17 GOAL	2015-16 <i>projected</i>	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<b>MANDATORY</b>								
Fund Balance \$	97,042,890	115,187,809	76,299,525	73,310,914	66,699,483	74,687,223	90,093,870	73,303,220
Fund Balance % (Min goal = 10%)	15.10%	18.19%	13.37%	13.59%	13.14%	14.50%	17.13%	14.41%
Audit Findings	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified
<b>OPTIONAL</b>								
Salary & Benefits \$	Optional	524,387,733	480,764,316	455,615,895	431,071,101	437,599,147	436,547,626	437,449,375
Salary & Benefits %	Optional	82.79%	84.26%	84.47%	84.90%	84.93%	82.99%	85.97%
Annual Operating Excess/(Deficiency)	Optional	38,888,284	2,988,611	6,611,431	(7,987,740)	(15,406,647)	16,790,650	23,932,821
Cash Balance <sup>1</sup>	Optional	163,203,388	130,178,598	56,847,666	108,148,213	20,880,335	40,159,707	28,592,139
Funded FTES Target <sup>2</sup>	109,545	107,397	104,269	99,427	97,087	95,953	103,896	101,364
FTES Growth Target	2%							

<sup>1</sup> As of June 30 year-end for General Fund, excluding investments.

<sup>2</sup> 2016-17 Goal is 2015-16 Funded FTES increased by the FTES Growth Target; 2015-16 is as of Second Period reported FTES; older years are as of Annual funded.

**LOS ANGELES COMMUNITY COLLEGE DISTRICT  
LONG-RANGE FINANCIAL PLANNING  
5-YEAR Financial Forecast**

**UNRESTRICTED GENERAL FUND**

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Actuals	Projected	Projected	Projected	Projected	Projected
<b>REVENUES</b>						
State General Revenue	\$ 417,622,765	\$ 470,969,714	\$ 480,411,244	\$ 487,665,454	\$ 499,857,090	\$ 512,353,517
Education Protection Act (EPA)	94,506,345	90,184,452	80,715,085	71,245,717	35,622,859	0
Non-Resident	14,642,569	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Apprenticeship	179,709	83,709	83,709	83,709	83,709	83,709
Dedicated Revenue	8,583,377	7,888,032	7,888,032	7,888,032	7,888,032	7,888,032
Other State	25,897,604	85,377,352	35,377,352	28,377,352	28,377,352	28,377,352
Other Federal	2,127,077	2,127,077	2,127,077	2,127,077	2,127,077	2,127,077
Other Local	3,634,435	2,149,771	2,149,771	2,149,771	2,149,771	2,149,771
Incoming Transfers	107,659	0	4,802,400	10,319,700	8,452,100	4,268,800
<b>TOTAL REVENUES</b>	<b>\$ 567,301,540</b>	<b>\$ 672,280,107</b>	<b>\$ 627,054,670</b>	<b>\$ 623,356,812</b>	<b>\$ 598,057,990</b>	<b>\$ 570,748,258</b>
<b>EXPENDITURES</b>						
Certificated Salaries	244,584,407	266,994,955	275,875,207	275,875,207	275,875,207	275,875,207
New Faculty Hires	0	0	2,736,000	2,092,000	2,092,000	2,173,000
Non-Certificated Salaries	113,376,580	123,837,479	127,956,314	127,956,314	127,956,314	127,956,314
Employee Benefits	122,803,329	133,555,299	148,575,218	164,136,415	177,520,059	191,559,114
Subtotal Salary & Benefits	480,764,316	524,387,733	555,142,739	570,059,936	583,443,580	597,563,635
Salary & Benefit %	84%	83%	86%	87%	87%	88%
Books & Supplies	4,425,674	6,752,537	6,784,274	6,852,117	6,920,638	6,989,844
Other Operating Expenses	66,640,470	81,776,714	62,161,065	55,782,675	56,340,502	56,903,907
Capital Outlay	2,804,191	6,262,779	6,292,214	6,355,136	6,418,688	6,482,874
Interfund Transfer	14,289,841	14,212,061	14,278,858	14,421,646	14,565,863	14,711,521
Other	1,618,685	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 570,543,177</b>	<b>\$ 633,391,824</b>	<b>\$ 644,659,149</b>	<b>\$ 653,471,510</b>	<b>\$ 667,689,270</b>	<b>\$ 682,651,782</b>
NET REVENUES LESS EXPENDITURES	\$ (3,241,637)	\$ 38,888,283	\$ (17,604,479)	\$ (30,114,698)	\$ (69,631,280)	\$ (111,903,524)
<b>FUND BALANCE</b>	0					
Beginning Fund Balance	\$ 79,541,163	\$ 76,299,526	\$ 115,187,809	\$ 97,583,330	\$ 67,468,632	\$ (2,162,649)
Net Revenues Less Expenditures	(3,241,637)	38,888,283	(17,604,479)	(30,114,698)	(69,631,280)	(111,903,524)
<b>Ending Fund Balance</b>	<b>\$ 76,299,526</b>	<b>\$ 115,187,809</b>	<b>\$ 97,583,330</b>	<b>\$ 67,468,632</b>	<b>\$ (2,162,649)</b>	<b>\$ (114,066,172)</b>
Fund Balance % of Expenditure Budget	13.4%	18.2%	15.1%	10.3%	-0.3%	-16.7%
<b>Required 10% Fund Balance of Expend</b>	<b>\$ 57,054,318</b>	<b>\$ 63,339,182</b>	<b>\$ 64,465,915</b>	<b>\$ 65,347,151</b>	<b>\$ 66,768,927</b>	<b>\$ 68,265,178</b>
Amount Available and Remaining above 10%	\$ 19,245,208	\$ 51,848,627	\$ 33,117,415	\$ 2,121,481	\$ (68,931,576)	\$ (182,331,350)

2015-16 Ending Balance projects General Reserve = \$41.5m, Contingency = \$23.4m, PERS/STRS = \$22m, Prop 30 = \$8.5m, College balances/open orders = \$20m

**LONG-RANGE FINANCIAL PLANNING  
5-YEAR PLAN  
ASSUMPTIONS**

UNRESTRICTED GENERAL FUND	2015-16 Projected	2016-17 Projected	2017-18 Projected
<b>Assumptions</b>			
COLA	1.02%	0.47%	1.00%
Growth	3.00%	2.00%	1.50%
<b>Education Protection Act (EPA)</b>	<b>\$90.2 m</b>	<b>\$80.7 m</b>	<b>\$71.2 m</b>
Non-Resident	Projected	same as prior year	same as prior year
Apprenticeship	Projected	no change	no change
Dedicated Revenue	Projected	no change	no change
Other State	Projected	FY 2015-16 reduced by \$50 million	FY 2016-17 reduced by \$7 million
Other Federal	Projected	no change	no change
Other Local	Projected	no change	no change
Incoming Transfers	Projected	use of PERS/STRS reserve	use of PERS/STRS reserve, use of Prop 30 reserve
<b>EXPENDITURES</b>			
Salaries	4.22% Salary Increase	increase by COLA + 30% of Growth + 2% (proj 3.3%)	increase by COLA
Est. Staffing Increase	Base of 1,519 faculty	2% New Faculty Hires incr * Avg Cost/Fac	1.5% New Hires*(Avg Cost/Fac+above)
Employee Benefits	increase by COLA + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)	increase by 4% + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)	increase by 4% + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)
<b>CalSTRS and CalPERS Increase</b>	<b>\$5,247,964</b>	<b>\$7,200,000</b>	<b>\$9,100,000</b>
Supplies and Other Operating Expenses	increase by COLA	increase by COLA less \$20m	increase by COLA less \$7m
<b>UNRESTRICTED GENERAL FUND</b>			
<b>Assumptions</b>			
COLA	1.00%	1.00%	1.00%
Growth	1.50%	1.50%	1.50%
<b>Education Protection Act (EPA)</b>	<b>\$35.6 m</b>	<b>\$0 m</b>	<b>\$0 m</b>
Non-Resident	same as prior year	same as prior year	same as prior year
Apprenticeship	no change	no change	no change
Dedicated Revenue	no change	no change	no change
Other State	same as prior year	same as prior year	same as prior year
Other Federal	no change	no change	no change
Other Local	no change	no change	no change
Incoming Transfers	use of PERS/STRS reserve, use of Prop 30 reserve	use of PERS/STRS reserve	use of PERS/STRS reserve
<b>EXPENDITURES</b>			
Salaries	increase by COLA	increase by COLA	increase by COLA
Est. Staffing Increase	2.0% New Hires*(Avg Cost/Fac+above)	2.0% New Hires*(Avg Cost/Fac+above)	2.0% New Hires*(Avg Cost/Fac+above)
Employee Benefits	increase by 4% + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)	increase by 4% + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)	increase by 4% + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)
<b>CalSTRS and CalPERS Increase</b>	<b>\$6,300,000</b>	<b>\$6,400,000</b>	<b>\$6,400,000</b>
Supplies and Other Operating Expenses	increase by COLA	increase by COLA	increase by COLA