



Board of Trustees

Los Angeles Community College District

ACTION

Com. No. BF2

Division: BUSINESS AND FINANCE

Date: July 9, 2014

Subject: BUDGET AND FINANCE ROUTINE REPORT

I. ADJUSTMENTS TO UNRESTRICTED INCOME/APPROPRIATIONS

Authorize the following budget adjustments to reduce the state revenue in the Unrestricted General Fund budget by \$4,301,357 due to the additional statewide \$89 million shortfall from property taxes and student fees collections. The following actions are presented for approval as itemized in **Attachment A**, State General Revenue Adjustments. (eBTA: D-0681, D-0731, D-0732, D-0733, D-0734, D-0735, D-0736, D-0737)

INCOME - Decrease \$4,301,357

- 2012-13 Recalculation Adjustments – (\$932,473)
- 2013-14 Second Principal Apportionment Adjustments – (\$3,368,883)

APPROPRIATIONS - Decrease \$4,301,357

- Increase Education Protection Accounts (EPA Fund) by \$9,032,128
- Reduction in General Apportionment to offset increase in the EPA Fund by \$7,968,856
- Increase COLA and Enrollment Growth Income by \$4,101,929
- Increase Part-time Faculty Office Hours Reimbursements by \$12,133
- Reduce Contingency Reserve by \$9,478,691 for state general apportionment deficits for FY 2013-14 and 2012-13 Recalculation

Background: On June 19, 2014 the State Chancellor's Office released the 2013-14 Second Principal Apportionment and revised the 2012-13 Recalculation reports. The reports include a system-wide general apportionment deficit of \$89 million, or a 1.58% deficit. As a result, the Los Angeles Community College District's state apportionment reduction has amounted to \$8.38 million. The deficits arise from shortfall in property taxes and student fees. More EPA funds was distributed than original estimated resulting a reduction in state general revenue with the shortfall in property taxes and students resulting net remaining deficit of approximately 1.58%.

Recommended by: Adriana D. Barrera
Adriana D. Barrera, Deputy Chancellor

Approved by: Francisco C. Rodriguez
Francisco C. Rodriguez, Chancellor

Chancellor and Secretary of the Board of Trustees

By: _____ Date _____

Eng _____	Santiago _____
Field _____	Svonkin _____
Moreno _____	Veres _____
Pearlman _____	Jackson _____

Student Trustee Advisory Vote

Board of Trustees

Los Angeles Community College District

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FISCAL IMPLICATION: This action reduces the Contingency Reserve by \$9,478,691, leaving a balance in the Contingency reserve of \$4,029,345 or 0.78%.

REQUIRES FIVE (5) AFFIRMATIVE VOTES

STATE GENERAL REVENUE ADJUSTMENTS
FROM 2013-14 P2

2012-13

	1ST RECALC	2ND RECALC	NET CHANGE
EPA Funds	76,889,611	77,077,514	187,903
10100 Adjustment for EPA Change	(691,579)	(879,482)	(187,903)
Restoration/Growth	6,218,478	6,381,327	162,849
Deficit/Adjustment/Shortfall	(1,053,043)	(2,148,365)	(1,095,322)
Subtotal	81,363,467	80,430,994	(932,473)
Apprenticeship Income	0	0	0
PT Fac Compensation	0	0	0
PT Fac Ofc Hrs Reimb.	0	0	0
Lottery Income	0	0	0
TOTAL	81,363,467	80,430,994	(932,473)

2013-14

	FINAL BUDGET	P2	NET CHANGE
Net Base	402,674,301	394,893,348	(7,780,953)
EPA Funds	65,692,554	74,536,779	8,844,225
COLA	7,353,360	7,370,052	16,692
Restoration/Growth	7,204,330	11,126,718	3,922,388
Deficit/Adjustment/Shortfall	0	(8,383,369)	(8,383,369)
Subtotal	482,924,545	479,543,528	(3,381,017)
Apprenticeship Income	83,709	83,709	0
PT Fac Compensation	2,203,448	2,203,448	0
PT Fac Ofc Hrs Reimb.	1,202,112	1,214,245	12,133
Lottery Income	14,300,000	14,300,000	0
Non-Resident Tuition	12,600,000	12,600,000	0
Sheriff's Contract	0	0	0
TOTAL	513,313,814	509,944,830	(3,368,884)

TOTAL CHANGE

	2012-13 CHANGE	2013-14 CHANGE	TOTAL CHANGE
Base	0	(7,780,953)	(7,780,953)
EPA Funds	187,903	8,844,225	9,032,128
10100 Adjustment for EPA Change	(187,903)	0	(187,903)
COLA	0	16,692	16,692
Restoration/Growth	162,849	3,922,388	4,085,237
Deficit/Adjustment/Shortfall	(1,095,322)	(8,383,369)	(9,478,691)
Subtotal	(932,473)	(3,381,017)	(4,313,490)
Apprenticeship Income	0	0	0
PT Fac Compensation	0	0	0
PT Fac Ofc Hrs Reimb.	0	12,133	12,133
Lottery Income	0	0	0
Non-Resident Tuition	0	0	0
Sheriff's Contract	0	0	0
TOTAL	(932,473)	(3,368,884)	(4,301,357)



Board of Trustees

Los Angeles Community College District
770 Wilshire Blvd., Los Angeles, CA 90017 (213) 891-2000

AGENDA

ORDER OF BUSINESS - REGULAR MEETING

Wednesday, August 5, 2015

Public Session 3:30 p.m.

Closed Session

(Immediately Following Public Session)

Educational Services Center

Board Room – First Floor

770 Wilshire Blvd.

Los Angeles, CA 90017

- I. Roll Call (**3:30 p.m.**)
- II. Flag Salute
- III. Oath of Office
 - Gerson A. Liahut-Sanchez, Interim Student Trustee
- IV. Approval of Minutes
 - Regular Meeting and Closed Session: June 24, 2015
 - Special Meeting and Closed Session: June 29, 2015
 - Regular Meeting: July 8, 2015
- V. Reports from Representatives of Employee Organizations at the Resource Table
- VI. Announcements from the College Presidents
- VII. Public Agenda Requests
 - A. Oral Presentations
 - B. Proposed Actions
- VIII. Requests to Address the Board of Trustees – Multiple Agenda Matters
- IX. Reports and Recommendations from the Board
 - Reports of Standing and Special Committees
 - Proposed Actions
 - BT1. Appoint Gerson A. Liahut-Sanchez as Interim Student Trustee
 - BT2. Resolution – District Classified Employees Retirement
 - BT3. Elect/Select Board of Trustees Representatives
 - BT4. Board Travel Authorizations

- BT5. Resolution – Board Standing Committee for Environmental Stewardship
- BT6. Resolution – America’s College Promise Act: Tuition-Free Community College for Responsible Students
- BT7. Resolution – 50th Anniversary of Voting Rights Act and Immigration and Nationality Act

- X. Reports from the Chancellor and College Presidents
 - Report from the Chancellor regarding activities or pending issues in the District

XI. Consent Calendar

Matters Requiring a Majority Vote

- BF1. Ratify Budget Revisions and Appropriation Transfers
- BSD1. Ratify Business Services Actions
- BSD2. Approve Business Services Actions
- BSD3. Authorize Lease of District Facilities
- FPD1. Approve Facilities Planning and Development Report
- FPD2. Authorize Master Procurement Agreements
- HRD1A. Personnel Services Routine Actions
- HRD1B. Personnel Services Routine Actions
- HRD2. Authorize Stipend Increase for Unclassified Walk-On Assistant Coaches
- ISD1. Approve New Educational Courses and Programs
- ISD2. Approve New Community Services Offerings
- ISD3. Amend Board Rule Chapter VI Article VII – Academic Standards
- PC1. Personnel Commission Actions
 - Correspondence

XII. Recommendations from the Chancellor

Matters Requiring a Super Majority Vote

- BF2. Authorize Use of \$3,291,010 from Contingency Reserve to Restore Debt Repayment for Los Angeles Harbor College and Fund Additional Over-Cap Growth for the Colleges
- FPD3. Adopt Resolution: (1) Approving a First Amendment to Development Agreement and Ground Lease for the Development of Permanent Facilities for the Harbor Teacher Preparation Academy at Los Angeles Harbor College; and (2) Determining the Foregoing Action is Exempt from Further Analysis Under the California Environmental Quality Act

XIII. Notice Reports and Informatives

- CH/A. [Notice] Amend Board Rule Chapter II Article IV – 2408 Order of Business



Board of Trustees

Los Angeles Community College District

ACTION

Com. No. BF2

Division: BUSINESS AND FINANCE

Date: August 5, 2015

Subject: AUTHORIZE USE OF \$3,291,010 FROM CONTINGENCY RESERVE TO RESTORE DEBT REPAYMENT FOR LOS ANGELES HARBOR COLLEGE AND FUND ADDITIONAL OVER-CAP GROWTH FOR THE COLLEGES

In the General Fund, authorize the distribution of \$3,291,010 to the colleges from the Contingency Reserve account as recommended by the Chancellor for the following:(eBTA's: D-0900, D-0906):

A. Los Angeles Harbor College - \$923,010 for restoration of the 2014-15 College Debt Repayment paid by the college.

B. \$2,368,000 additional over-cap funding for the following Colleges at \$4,000 per FTES:

East Los Angeles College	165 FTES	\$ 660,000
Los Angeles Harbor College	15 FTES	\$ 60,000
Los Angeles Mission College	100 FTES	\$ 400,000
Pierce College	150 FTES	\$ 600,000
Los Angeles Trade-Technical College	125 FTES	\$ 500,000
West Los Angeles College	37 FTES	\$ 148,000

Background: On May 5, 2015, Los Angeles Harbor College requested deferment of the \$923,010 debt repayment in FY 2014-15 to assist the college in its efforts to maintain the college's positive balance for FY 2014-15 and if the college ends the year with a positive balance, the college would apply 50% of that balance toward the debt repayment for this year. The Executive Committee of the District Budget Committee (ECDBC), on June 02, 2015, reviewed the college's request with President Dr. Otto Lee and his Senior Staff. He testified that the college has put stringent budgetary controls in place and has adjusted its enrollment to achieve its target of 4.75%. The ECDBC supported Los Angeles Harbor College's request and recommended to the Chancellor to grant the request contingent upon the college's submission of a self-evaluation as required in the District Financial Accountability Measures. The Chancellor approved Dr. Lee's request for deferral of the \$923,010 on June 29, 2015.

Recommended by:

Adriana D. Barrera
Adriana D. Barrera, Deputy Chancellor

Approved by:

Francisco C. Rodriguez
Francisco C. Rodriguez, Chancellor

Chancellor and
Secretary of the Board of Trustees

By: _____

Date: _____

Eng _____	Moreno _____
Fong _____	Pearlman _____
Hoffman _____	Svonkin _____
Kamlager _____	Liahut-Sanchez _____

Student Trustee Advisory Vote

Board of Trustees

Los Angeles Community College District

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As to the funding for the Colleges for additional growth over-cap funding at \$4,000 per FTES, the Chancellor, on July 23, 2015, recommended this funding for the above six colleges who have agreed to shift their available Summer I 2015 credit FTES so the District's reported annual FTES to at least meet or above the 104,284 FTES funded by the State in the Second Principal Apportionment on June 24, 2015. As a result, the District has reported its annual 2014-15 FTES of 104,995 FTES on July 22, 2015 to the State Chancellor's Office.

FISCAL IMPLICATIONS: This action reduces the Contingency Reserve by \$3,291,010, leaving a balance in the Contingency Reserve of \$12,957,890 or 2.38%.

REQUIRES FIVE (5) AFFIRMATIVE VOTES