Date: April 3, 2015

To: Nabil Abu-Ghazaleh, President

From: Fran Leonard

Re: College Council Recommendations

At the April 2, 2015 College Council meeting, these recommendations from the Budget Committee were approved by consensus:

A. Recommend a supplement of $94,592.33 to the FY 2014/15 Fund 10100 Budget for Plant Facilities to pay for unexpected increases in college utility expenses. This is conditioned on the submittal of the Budget Supplement Request Form contained in the policy referenced in Item C below. A spreadsheet calculating the increase is attached.

B. Recommend the accompanying process for funding Fund 1011 supply purchases, beginning with FY 2015/16.

C. Recommend the accompanying process for considering mid-year supplements to Fund 10100 budgets beginning with FY 2015/16.

Nabil Abu-Ghazaleh /Approved
4/6/15
Process for Budget Supplements (revised 03-26-15)

Background
West has developed and continues to refine its planning and budget processes. Nevertheless, there is no process by which expenditures that could not been reasonably planned and/or anticipated in the regular process can be addressed. Needed expenditures that arise from unpredictable events, such as a higher cost for a budgeted item, a sudden change in student enrollment or a new mandate by a recently enacted law or regulation, require the college’s immediate attention. To this purpose, the Budget Committee and the College Council have expressed the need to develop a process by which budget supplements/augmentations can take place through an institutional process.

Current Practice
Whenever a college department needs a budget supplement, a request is submitted by the department to the VP of Administrative Services. The VPAS assesses the merits of the request, consults with the college President and the responsible Vice President, and proceeds to authorize or deny the request, after which the Budget Committee is informed of what took place. If the requested budget supplement is of significant value (several thousand dollars) and the need is not urgent, the VPAS will submit the request to the Budget Committee at the next scheduled meeting.

Moving Forward
The usual budget practice is to base allocations on prior year budget as of December and to allocate expenditures according to planning priorities during the budget prep process in February. Having a process to address emergency and/or unplanned expenditures provides the college with another institutional tool agreed to by all constituencies to provide a stable and transparent process for these extraordinary budget supplements.

Process
Whenever a budget supplement to address an emergency or an unplanned expense of $2,000 or above* is needed, the appropriate Vice President will make a formal request in the attached form, providing an explanation for the reason for this budget supplement, its dollar amount and the consequences of not addressing the request during the ongoing fiscal year. The request will be presented to the Budget Committee and its recommendation is to be forwarded to the College Council.

If the emergency expenditure requires immediate attention that does not permit the full process described above to take place, the College President will make the decision and will report back in writing to the Budget Committee and College Council on the action taken on such emergency expenditure.

*Note: If the requested budget supplement is below $2,000, the approval process will be done by the appropriate Vice-President, with the approval of the VPAS or the President. All such transactions will be summarized and reported to the Budget Committee.
WEST LOS ANGELES COLLEGE
EMERGENCY APPROPRIATION / BUDGET SUPPLEMENT REQUEST FORM

Date: ___________________________ Control No. ___________________________

Requesting VP name and signature:

Academic Affairs __________________________

Student Services __________________________

Administrative Services __________________________

1. Unit under your supervision for which this request is being made.

2. Description and amount of request:

3. Reason(s) for the request:

4. What are the expected consequences of your request being denied?

5. Why was this item not planned/budgeted in the current fiscal year?

5. In the future what will you do to either include this item in your regular budget or prevent it from recurring as a budget supplement request?

6. Was this budget supplement request included in the unit’s Program Review? If so, cite under which section. If it was not included, explain why.

__________________________________________________________

Action:

Budget Committee __________________________ College Council ___________________________
Process for Meeting Basic Supply Needs (revised 03-26-15)

Background
During the budget downturn and reduced budgets, supply budgets were cut college-wide. The result is that divisions and departments do not have sufficient resources to meet their operational needs. In extreme situations, special requests are made to the Budget Committee for funding to purchase critical supplies.

The difficulty presented by the current practice has been identified and highlighted in the most recent process to prioritize resource requests, which included basic supplies in a number of cases, as well as in the recommendations from the 2014 Joint PIE/Budget Committee meeting. The Budget Committee and the PIE Committee have identified the need to develop a more efficient and effective budgeting process for consumable supplies. Now that state funding levels are beginning to increase from the previous low point, this is a practical time to institute a new budgeting process for supplies.

Current Practice
The supply budgets for most units have been reduced or eliminated since FY09-10 and partially centralized in FY2014-15. This practice makes purchasing supplies difficult and sometimes impossible. For example, the Admissions and Records Office did not have funds to purchase diploma paper, and had to make a special request to the Budget Committee for funding.

Moving Forward
The usual budget practice is to base allocations on prior year budget and expenditures as of December. This historic information has been lost for supply budgets. The suggested process will provide for a transitional period where baseline needs for each unit can be re-established. The suggested process represents a hybrid zero-based budget concept, applied to only the Supply line item, which will be built up from the current funding level of $0 based on new expenditure data.

Process
The four broad areas of the college will be handled separately, under the direction of each Vice President and the President. A central supply fund will be created for each division. The size of the fund will be based on a systematic analysis of the Supply needs for each unit within the area. The analysis can draw on program review requests and other sources of information.

As a unit needs Supplies, it would place a request with the Vice President or President. The funds would be transferred via eBTA to the receiving unit for expenditure. Over a few years, a baseline level of supply need will be established. When this is stabilized, the needed amount will be allocated to each unit during the budget preparation process.

Within Academic Affairs, Division chairs will be informed of the process for obtaining Supplies. Division chairs will submit requests on behalf of their Divisions.
WEST LOS ANGELES COLLEGE
EMERGENCY APPROPRIATION / BUDGET SUPPLEMENT REQUEST FORM

Date: 4/2/15
Control No.

Requesting VP name and signature:
Academic Affairs
Student Services
Administrative Services Ken Takeda

1. Unit under your supervision for which this request is being made.
   Plant Facilities

2. Description and amount of request:
   Supplement 10100 utility accounts in the amount of $94,583

3. Reason(s) for the request:
   Unexpected spike in utility rates due to peak demand charges in Sep & Oct 2014

4. What are the expected consequences of your request being denied?
   Delinquent payment; possible interruption of electrical or other utility service

5. Why was this item not planned/budgeted in the current fiscal year?
   Planned and budgeted but weather caused higher AC usage and electrical expense

5. In the future what will you do to either include this item in your regular budget or prevent it from recurring as a budget supplement request?
   Request more funds as a budget cushion; influence building usage during summer

6. Was this budget supplement request included in the unit’s Program Review? If so, cite under which section. If it was not included, explain why.
   No, unexpected occurrence

Actions:
Budget Committee: Recommended 03-26-15 College Council:
Utilities - Budget Supplement

### Actual Expenditures

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<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 to date</th>
<th>2015 (remaining)</th>
<th>2015 (projected)</th>
<th>% Increase (Decrease)</th>
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<tbody>
<tr>
<td>Electric</td>
<td>730,826</td>
<td>657,954</td>
<td>780,901</td>
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<td>145,420</td>
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<td>39,526</td>
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**Total**  
952,671  879,677  1,041,356  1,073,972  853,111  1,214,682  4%  18%  3%

### Budget

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<tr>
<th></th>
<th>2011</th>
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<th>2014</th>
<th>2015</th>
<th>% Increase (Decrease)</th>
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**Total**  
1,009,973  1,008,408  1,047,570  1,110,000  1,120,100  0%  4%  6%

### Projected Deficit

$ (94,582.33)
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