November 10, 2010

COLLEGE VIEW OF THE BOND BUDGET ISSUES*

West Los Angeles College faces a challenge in managing the Bond Budget. Bond funds were over committed through the past five years. The following summarizes the bond budget status as of August:

**ORIGINAL ALLOCATION** $413,997,105 
(Prop A $120.8M + Prop AA $69.5M + Measure J $215.2M + State $8.3M + Other $134,000)

<table>
<thead>
<tr>
<th>STATUS OF FUNDS NEEDED</th>
<th>Committed/Spent</th>
<th>Needed for Pending Projects</th>
<th>Total Funds Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$300,926,121</td>
<td>$236,570,720</td>
<td>$537,496,841</td>
</tr>
</tbody>
</table>

Original Allocation = Total Funds Needed

$413,997,105 = $537,496,841 = ($123,499,736)

**HISTORY**

**Spring 2010**: The Building Program Management Committee (BPMC) and the College Council (CC) asked then president Dr. Mark Rocha for specific information related to the bond program total budget. While he had communicated to the committees that unbudgeted projects had been approved, the impact to overall budget adjustment was never presented. However, BPMC and CC did know what the necessary unbudgeted projects were: the purchase of the Jefferson Blvd. property and the road. They also asked for more details to understand how the unplanned expenses were going to be accommodated within the total bond budget. Dr. Rocha explained to them, in general, that the District would restore the $50M spent on the road and the purchase of the property. On several occasions the participatory committees pressed Dr. Rocha for the total bond budget status. He was specifically asked in June to communicate the bond budget status before he left. The college community believed that the last request prompted him to find out what the budget status was, and this resulted in the email sent to college leadership.

**June**: The college leadership became aware of the over commitment on June 29, 2010, when Dr. Rocha sent an email to the college’s AFT Guild president, Senate president, and College Council president. He advised them that he was recently made aware of a $75M over commitment of bond funds. While he was aware of the expenditures (property purchased for the Jefferson Blvd. entrance, construction of second college road, costs of mitigation measures, and up scoring of projects) that were not budgeted, he “was not aware of the magnitude” of the problem. In that same email, he proposed solutions that included the following: budget restoration by the District for the college entrance road and mitigations, selling of the 10100 Jefferson Blvd. property on the campus, down scoring projects, and transferring Measure J funds from the airport project to the West bond allocation. He believed this would yield more than sufficient funds to cover the over-
commitment. This was the first time that the participants became aware of the current Bond Program budget problem.

**July:** Dr. Rocha resigned in late June to accept a post at another college. The Acting President Betsy Regalado, working with the college leadership through the BPMC, began to get more facts about the over-commitment. As Build-LACCD continued to study the problem, it was discovered that the extent of the over-commitment was $123,499,736. Projects which had not begun but were ready to start construction, e.g. the Teaching Learning Center and the North Parking Structure, were put on hold while the bond budget problem was analyzed.

**August/September:** Ms. Regalado was replaced by Interim President Rose Marie Joyce. Dr. Joyce, with the assistance of the new CPM Jim Walker, continued the work of analyzing the bond budget. It was collegially determined that no projects would come forward until the available funds were known. This figure was a moving target since it depended on the costs from pulling out of contracts and an analysis of additional essential budget needs in the two buildings that were nearing the completion of their construction.

**October:** Projects that were planned were prioritized to determine if the projects that were ready to begin could be funded. The BPMC, through the College Council, recommended to President Joyce that the Teaching Learning Center be built. Not only was the investment already sizeable but the six-floor building would provide much needed classroom space. The college is left with $21M for all the other projects which included, but are not limited to, the Allied Health/Wellness, Athletic Fields, North Parking Structure, Signage, IT campus wide connectivity, the Student Union, and the Watson Center.

The college has made a recommendation to the Chancellor to sell the 10100 Jefferson Blvd. property that surrounds the college entrance to augment the college bond budget by an expected $40M.

**In Conclusion:** The college community was EXTREMELY disappointed when they found out that they were given insufficient budget information to make fully-informed recommendations regarding the bond projects. However, they have moved forward to maximize the dollars that are left. It has been a very difficult process of acceptance of the bond shortfall facts, but there is a strong commitment to work in the participatory manner. The projects prioritizing process has begun. Stakeholders who had expected the new buildings have come to the table with proposals that drastically reduce the scope of the projects. The current challenge is to detail the budgets of the proposed revised projects to determine which can go forward. A space utilization study is a part of the assessment.

West has been the driver in problem solving the bond budget crisis since July. While we are working with the CPM and Build-LACCD to validate figures and make projections related to plans, it is now the college community that is making the decisions, through a participatory process, to maximize the bond funds. Processes are now in place at West to assure that there is an appropriate procedure for project and budget decision-making. That being said, West’s college community is to be commended for its problem-solving attitude, setting priorities that put students first, and responsibly managing the remaining balance of bond funds.

* This document was developed by Dr. Joyce with input from the college community.