

**Membership**

**Academic Senate**

David Beaulieu  
Dana Cohen  
Jeff Hernandez  
Lauren McKenzie  
Tom Rosdahl  
Michael Climo

**Faculty Guild**

Paul Doose  
Carl Friedlander\*  
John McDowell  
Armida Ornelas  
Olga Shewfelt  
Joanne Waddell

**Unions/Association**

Allison Jones or Bobbi  
Kimble  
Lubov Kuzmik  
Leila Menzies  
Velma Butler  
Richard Rosich  
Ted Strinz

**College Presidents**

Kathleen Burke-Kelly\*  
Sue Carleo  
Roland Chapdelaine  
Jack E. Daniels III  
Nabil Abu-Ghazaleh  
Marvin Martinez  
Renee Martinez  
Monte Perez  
Farley Herzek\*\*

**STUDENT TRUSTEE**

Daniel Campos  
\* Co-chairs  
\*\* Interim

**District Budget Committee**

**September 5, 2012**

**1:30pm am – 3:30 pm**

**District Office, Board Room**

1. Call to Order (*Co-Chair Dr. Kathleen Burke-Kelly*)
2. Approval of Agenda
3. Approval of Minutes for July 18, 2012 and August 7, 2012
4. Planning for Tax Initiative Implications (Gordon)
5. 2012-13 College Enrollment Planning Update (Delahoussaye/Iyemura)
6. FON Update (Dr. Barrera)
7. Executive Committee Report & Recommendation
8. 2013-14 Proposed Budget Development Calendar
9. DBC Recommendations to the Chancellor

*Future Meetings:*

*Oct 10, Nov 14, Dec 5, Jan 23, Feb 13  
March 13, April 24, May 22, June 19*

*Please bring your own copy.*



**DRAFT**  
**Los Angeles Community College District**

**District Budget Committee Meeting Minutes**

July 18, 2012

1:30-3:30 p.m., Board Room, District Office

**Roll Call**

Committee members present as indicated (X).

**Academic Senate**

David Beaulieu  
Dana Cohen X  
Jeff Hernandez X  
Lauren McKenzie X  
Tom Rosdahl X

**L.A. Faculty Guild**

Paul Doose  
Carl Friedlander\* X  
John McDowell X  
Armida Ornelas X  
Olga Shewfelt X  
Joanne Waddell X

**Unions/Association**

Allison Jones or Bobbi Kimble X  
Leila Menzies X  
James Bradley  
Velma Butler  
Lubov Kuzmik  
Richard A. Rosich

**College Presidents**

Farley Herzek X  
Jack E. Daniels III X  
Jamillah Moore X  
Monte Perez X  
Kathleen Burke-Kelly\* X  
Marvin Martinez X  
Roland Chapdelaine  
Sue Carleo X  
Nabil Abu-Ghazaleh X

**STUDENT REPRESENTATIVE**

Brandon Batham

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**Also Present**

**Resource Persons**

Daniel LaVista  
Cathy Iyemura  
Adriana Barrera  
Vinh Nguyen  
Jeanette Gordon  
Yasmin Delahoussaye

**Guests**

Ann Tomlinson  
Ken Takeda  
Paul Carlson  
Maureen O'Brien  
Marry Gallagher  
Allison Moore

**District Office**

Karen Martin  
Perrin Reid  
Michael Shanahan

\*DBC Co-chairs

## **Call to Order**

The meeting was called to order at 1:40 by Kathleen Burke-Kelly.

## **2. Approval of Agenda**

The agenda was approved with the change of “policy” to “process” in Item #4.

## **3. Approval of minutes for June 20, 2012**

The minutes were approved without changes.

## **4. 2011-12 Enrollment Update/Planning (Cathy Iyemura)**

Cathy Iyemura reported the 2011-12 Annual FTES at 103,529 and noted that the funded FTES was at 97,415. The revised, reduced funded FTES at P2 was 95,953. Credit FTES were over by 6,500 and noncredit FTES were over 1,000. She also provided the 2012-13 best and worst case scenarios for planning. Members noted that best case scenario has not built in the additional growth funding (\$50 million statewide) if the tax initiative passes. She mentioned that several colleges feel that they have no choice but to plan for the worst case scenario and others have to do some creative planning to maintain momentum and stay at the best case scenario. Colleges that have FTES below their funded base may have an opportunity to shift their funded credit and noncredit funded FTES to protect their funded bases.

The chancellor commented on the worst case scenario and how it would impact students. It is important to have information regarding class reductions and projected students turned away for use with external groups. Joanne Waddell added that information should also include the number of potential faculty lost due to cuts in instruction.

## **5. Executive Committee Report & Recommendation**

Kathleen Burke-Kelly indicated that this is a first reading of the ECDBC’s draft recommendation on the District Reserve and Balance. It is intended for discussion and DBC input. Comments will be taken back to the ECDBC for further review.

Jeanette Gordon reviewed with the committee the recommendation as stated below:

*“To maintain fiscal stability, the district shall establish its reserve and use of balances as follows:*

1. *Set aside a 5% General Reserve ;*
2. *Set aside a 5% Contingency reserve of the Unrestricted General Fund Revenue for emergency and unanticipated events during the fiscal year;*
3. *Colleges shall keep their year-end balance equal to 5% of their prior year Unrestricted General Fund budget , excluding prior year balance;*
4. *The procedure in #3 will only affect the carry forward balances of FY 2012-13 and future years, the accumulated balances as of FY 2012 or prior shall remain with the colleges;*
5. *Colleges are allowed to carry over their accumulated balances from FY 2012-13 and subsequent fiscal years up to 10% of their prior year Unrestricted General Fund budget; and*
6. *Each college and the district office shall retain their prior year ending balance including open orders in accordance with #3 and #5 above. The policy allows for a college to use \$5 million or 25% of their ending balance whichever is less. Additional access is allowed with the Chancellor's approval."*

Members discussed and requested the ECDBC to further address the following issues:

1. How excess balances will be distributed or allocated to the General Reserve, the Contingency Reserve, and to the colleges.
2. Effect of the recommendation on small colleges and large colleges use/retain of balances
3. Provide simulations for committee review.

Chancellor asked that the ECDBC discuss and reconstruct the recommendation to specify for the Board how the percentages set aside for General and Contingency Reserve will be determined.

#### **6. State Enacted Budget and Impact on District Budget (Gordon)**

Jeanette Gordon updated the committee on the enacted state budget and its impact on the District on both scenarios of the tax initiative passing or not passing in November. She indicated that if it passes, District will receive \$15 million to buy down deferrals and \$4.7 million growth fund. If it fails, the District has a workload reduction of \$31.27 million (or 7.27%), an additional \$7.3 million cut from Tentative Budget (which has a -\$23.9 million reduction already factored in).

She provided the revised financial forecasts for FY 2012-13 and FY 2013-14. With the best-case scenario, including a \$4.7 million growth and \$66.6 million in projected 2011-12 balances carried forward, it is projected to end FY 2012-13 with \$38.2 million positive balance. With the worse-case scenario (tax initiative fails), the 2012-13 projected ending balance would be \$2.2 million and FY 2013-14 would end with a negative balance of -\$72 million.

Members urged that the District should be prepared for the worse-case scenario. Chancellor emphasized that we are planning for the worst-case scenario and indicated that the Special Budget Task Force has met three times and is developing options to bring to the DBC for consultation and to the Board in time for Final Budget.

#### **7. FON Update (Dr. Barrera)**

Dr. Barrera reported that 72 NOI were received, 8 not processed because no formal announcement, 3 cancelled, and 1 on hold. 60 were processed, 8 of these have been completed and 5 of the 8 have been cleared. She reported that the District is on track with hiring.

#### **8. Preliminary 2011-12 Ending Balance and Open Orders**

Vinh Nguyen reported that the projected ending of \$72 million increased from the previous projected balance of \$66.6 million mainly due to an increase of about \$4 million in projected lottery income. Preliminary projection shows three colleges will end with deficits. Open orders are \$6.2 million and we are still waiting for summer accruals and for colleges to make final adjustments.

#### **9. Proposed 2012-13 Final Budget**

The Proposed Final Budget simulations were based on an 8.66% workload reduction (1.39% of 2011-12 midyear workload reduction plus a 7.27 % workload reduction) or \$31.27 million reduction. Revenue assumptions included the reduced funded base FTES of 88,973 (worst-case). Funds available include total projected income of \$470 million and \$66.6 million projected 2011-12 balance to be carried over. Compared to the Tentative Budget, the Final Budget incorporates a larger cut if the initiative fails (\$31 million compared to \$23 m). P. Carlson pointed out this meant a loss of \$1 m for City.

College allocations are based on the new adopted budget allocation, including \$5 million in transitional funds provided to colleges. The proposed Final Budget will include a 5% General Revenue, a 7.5% Contingency Reserve, and a Deferred Maintenance fund of \$2.3 million.

Members would like to have 2011-12 expenditures and a 2012-13 Final Budget comparison provided at the next meeting.

Jeanette Gordon stated that East LA and Pierce College's reserves and balances will be the sources of funds used to set aside the 5% General Reserve and 2.5% Contingency Reserve. Jeff Hernandez requested a detailed description of the General Reserve and Contingency Reserve. Bobbie Kimble inquired about the underlying assumptions (definitions) of General Reserve and Contingency Reserve.

Farley Herzek, interim president at ELAC, was introduced by Burke-Kelly.

#### **10. DBC Recommendations to the Chancellor**

Kathleen Burke-Kelly reported the chancellor's response to the DBC's recommendation on the General Reserve and Contingency Reserve, which was to honor the Board Finance and Audit Committee's decision on the 5% General Reserve and 7.5% Contingency Reserve.

Jeanette Gordon distributed the last five years of Contingency Reserve information as requested by the Committee at the last meeting.

#### **11. Others**

Carl Friedlander announced that he will miss the next DBC meeting on August 15, 2012 because he has to be in Sacramento for another meeting. He asked Kathleen Burke-Kelly to chair the next meeting.

The meeting was adjourned at 4:00pm

*Next Meeting: August 15th*





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**Los Angeles Community College District**

**District Budget Committee Meeting Minutes**

August 7, 2012

1:30-3:30 p.m., Board Room, District Office

**Roll Call**

Committee members present as indicated (X).

**Academic Senate**

David Beaulieu X  
Dana Cohen X  
Jeff Hernandez X  
Lauren McKenzie X  
Tom Rosdahl

**L.A. Faculty Guild**

Paul Doose  
Carl Friedlander\* X  
John McDowell X  
Armida Ornelas X  
Olga Shewfelt X  
Joanne Waddell X

**Unions/Association**

Allison Jones or Bobbi Kimble X  
Leila Menzies X  
James Bradley  
Velma Butler X  
Lubov Kuzmik  
Richard A. Rosich

**College Presidents**

Farley Herzek X  
Jack E. Daniels III X  
Nabil Abu-Ghazaleh X  
Monte Perez  
Kathleen Burke-Kelly\* X  
Marvin Martinez X  
Roland Chapdelaine X  
Sue Carleo X

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**Also Present**

**Resource Persons**

Daniel LaVista  
Cathy Iyemura  
Adriana Barrera  
Vinh Nguyen  
Jeanette Gordon  
Yasmin Delahoussaye

Ann Tomlinson  
Ken Takeda  
Paul Carlson  
Maureen O'Brien  
Mary Gallagher  
Allison Moore  
Len Glover  
Bradley Young  
Tom Jacobsmeyer  
Ferris Trimble  
Rolf Schleicher  
John Freitas  
Alex Immerblum  
Tom Furukawa  
Curtis Smith

**District Office**

Karen Martin  
Perrin Reid  
Michael Shanahan

**Guests**

Sandra Lepore  
Don Gauthier  
Don Sparks

## **1. Call to Order**

The meeting was called to order at 11:15 by Carl Friedlander.

## **2. Approval of Agenda**

The agenda was approved without changes. Friedlander explained that the September meeting would be moved to Sept. 5 from Sept. 12, in order to accommodate the change in the Board Meeting date from September 5 to September 12.

## **3. Approval of minutes for July 18, 2012**

Approval of the minutes was postponed until the September meeting at the chair's request.

## **4. Special Budget Task Force Update**

Chancellor LaVista thanked the task force for reviewing and recommending budget reductions if Proposition 30 does not pass in November. He asked the DBC for its input and said he would be speaking to the VPAS's also, who have come up with their own ideas for saving money. A final task force meeting will be held before Aug. 15, the deadline for formulation of a savings proposal in order for it to be presented to the Board at its Aug. 22 meeting.

Jeanette Gordon distributed the task force's tentative draft proposal (which was then collected at the close of the meeting). It includes projected college savings of \$25.8 million and the use of \$16.1m in balances, leaving a gap of \$21m. She noted that the cuts would only take place in the event of the state tax initiative failing and that they would cover the budget for 2012-13 only. Even with passage of the initiative, she remains concerned about the 2013-14 budget.

The suspension of the HRA's for one year was suggested, though there is some strong objection to this. A second idea, GASB 45 suspension, was agreed to a few years ago, though not implemented in the end. This has limited objection in the task force. The Staff Guild prefers furloughs by administrators and classified to straight salary rollbacks. A salary rollback is considered the best way for faculty to contribute, however, given the complexity of furloughing faculty. Different views had been expressed in the task force about whether or not adjunct faculty should be subject to any salary rollback, with the Chancellor believing that all faculty should be included but the percentage reduction for adjunct faculty should be much smaller.

A number of questions followed. Armida Ornelas asked if the furloughs applied equally to all classified and whether this is fair for those with the lowest salaries. Joanne Waddell wanted to know why progressivity wasn't reflected in the proposal as presented, as it was the intention of the task force that it be built into any cutback. Jeff Hernandez suggested that it's not necessarily fair to have all adjuncts excluded from sacrificing, given their various backgrounds. John McDowell wanted to know why the district balance total was now larger and why the total cut

sought was not reduced thereby. Vinh Nguyen responded that the projected \$63m deficit was the difference between projected revenue (excluding balances) and projected expenditures. He stated that given a 5% General Reserve (\$23.49 million), an additional 2.5% Contingency Reserve (\$11.74 million), and \$16.1m taken from balances, there was not much else to take from balances without risking depleting the ending balance below 10%. Velma Butler spoke out strongly against cutting the HRA's.

There was some discussion as to how any final proposal would be implemented by the Board, with agreement that the changes themselves have to be negotiated. Hernandez said the figures needed to be tightened up, and McDowell preferred the reductions being reduced by half. While the DBC came to no consensus about the proposal, Beaulieu pointed out that there seemed to be support for having progressivity built into any cuts. When the committee was asked about this conclusion by the chancellor, no one objected to it. Finally, the Chancellor asked that anyone who disagreed with any other comments made thus far make their thoughts known. There was no response to his request.

## **5. 2011-12 Open Orders and Balances**

Gordon distributed a handout detailing the use of unrestricted funds and balances. Discussion focused on deficits run by programs (such as the bookstores), as well as the formation of the general reserve and the contingency reserve. The amounts for both have to come from college balances, which almost entirely belong to East and Pierce. Gordon detailed how this was calculated. She stressed that East and Pierce would each have \$5 m of their respective totals available for use this year, as promised. 86% of the reserve total will come from East's balance, and 14% from Pierce's. Two colleges ended in the red: Southwest (\$1.1 m) and Valley (\$0.7 m).

## **6. State Apportionment Deferrals, RDA Backfills and Impact on the District's Cash Flow**

A state apportionment deferral schedule was distributed, showing \$75m deferred in FY 2012-13 if the initiative passes, and \$90m if it fails. The district's anticipated cash shortages would be \$23m or \$67m, respectively. The District will need to issue Tax Revenue Anticipation Notes (TRANS) to cover the cash shortfalls during the year.

A copy of Proposition 30, "The Schools and Local Public Safety Protection Act of 2012," was distributed. Vinh Nguyen indicated that if the initiative passes, its funds will be guaranteed to go directly into Education Protection Accounts allocated quarterly to local schools and community colleges. The funds from the accounts can not be used for salaries and benefits of administrators or for any other administrative costs.

## **7. 2012-13 Final Budget**

The proposed final budget for 2012-13 was distributed. It will go to the Board for approval on Aug. 22. Gordon restated that the budget was prepared assuming the worst-case scenario (the tax initiative failing). This was at Board direction. For 2011-12, the district spent \$15.3 m more than its income and lost \$46.4 m in state general revenue. It generated 6,572 unfunded FTES (for a total of 102,525) and lost funding for 7,943 (due to the workload reduction). That was the equivalent of turning away 15,000 students

## **8. DBC Self-Evaluation**

Friedlander distributed the annual DBC self-evaluation form. He and past co-chair Jack Daniels completed it, but he asked for further input from committee members. They were asked to send their suggestions to either of the current co-chairs. The form lists major accomplishments in the past year as well as major obstacles and other problems with committee functioning, steps to improve functioning, and goals for the current year.

## **9. DBC Recommendations to the Chancellor**

There were no formal recommendations.

The meeting was adjourned at 4:00pm

*Next Meeting: Sept. 5*

# **Planning for Tax Initiative Implications**

District Budget Committee

September 5, 2012

# 2012-13 Projected Budget Gap (If Tax Initiative Fails)

<b>2012-13 PROJECTED EXPENDITURE OVER REVENUE</b>	<b><u><u>\$ (63,000,000)</u></u></b>
<b>Actions Taken by Colleges and District</b>	<b><u><u>\$25,800,000</u></u></b>
<b>Remaining Projected Deficit</b>	<b><u><u>\$ (37,200,000)</u></u></b>
Less: Use of Balances for earmarked items	
Allow College Use of Balances	6,000,000
FON Subsidy	2,100,000
Board Election	3,000,000
Budget Allocation Changes	5,000,000
<b>Total Use of Balance for earmarked items</b>	<b><u><u>\$16,100,000</u></u></b>
<b>Remaining Budget GAP</b>	<b><u><u>\$ (21,100,000)</u></u></b>

# Proposed District-Wide Options to Close Budget Gap (If Tax Initiative Fails)

Each of the recommended item must be negotiated.	A	B
<b>Suspend HRA Benefit</b> .....	\$3,000,000	\$3,000,000
<b>Suspend GASB 45 contributions</b> .....	5,200,000	5,200,000
<b>Implement Salary Rollback</b>		
3% Faculty incl. extra assignments .....	4,606,776	4,606,776
1% Adjunct Faculty.....	676,810	676,810
<b>Implement Furloughs</b>		
7 ½ day furlough (Admin, Classified, Unclassified, Other)	5,200,000	
3 days in December & 4 ½ days of Spring Break		
Salary reduced 1 day a month January – August 2013)		
<b>OR Unpaid Holidays</b>		
10 Mgmt (Academic admin, classified mgrs, Teamsters) .....		1,312,108
6 Others (Classified, unclassified & others) .....		3,371,852
<b>TOTAL</b>	<b>\$18,683,586</b>	<b>\$18,167,546</b>

# **Areas for Financial Review**

- **Increase parking fees**
- **Centralize redundant functions**
- **Create retirement incentives**
- **Analyze selected student services**
- **Address costs of employee benefits**



# **Planning for Tax Initiative Implications**

- **Negotiation (August – Nov. 2012)**
- **Conduct Regional Forums (Sept. – Oct. 2012)**
- **Review Selected Financial Areas**



# Fall 2012 Enrollment Comparison

<b>0</b> = Day Relative to Beginning of Instruction	
Comparison Dates	2010 Monday, August 30, 2010
	2011 Monday, August 29, 2011
	2012 Monday, August 27, 2012

Day 0 = Monday of first week

## HEADCOUNT

Credit Active: Headcount for all credit active, not restricted to WSCH

CREDIT ACTIVE HEADCOUNT		C	E	H	M	P	S	T	V	W	I	Total
2010	Total CREDIT_ACTIVE Headcount	16,451	24,866	10,089	10,749	19,055	6,387	14,551	18,849	11,131	1,291	133,419
	Day 0 Headcount	17,965	25,723	9,992	9,574	17,941	5,869	14,322	16,728	11,064	1,478	130,656
2011	Total CREDIT_ACTIVE Headcount	17,965	25,723	9,992	9,574	17,941	5,869	14,322	16,728	11,064	1,478	130,656
	Day 0 Headcount	17,965	25,723	9,992	9,574	17,941	5,869	14,322	16,728	11,064	1,478	130,656
2012	Total CREDIT_ACTIVE Headcount	17,568	24,239	9,348	9,148	17,893	6,331	13,073	17,637	10,588	1,794	127,619
	Day 0 Headcount	17,568	24,239	9,348	9,148	17,893	6,331	13,073	17,637	10,588	1,794	127,619
12 % of 11	total CREDIT_ACTIVE Headcount	98%	94%	94%	96%	100%	108%	91%	105%	96%	121%	98%

## ENROLLMENTS

### WSCH, DSCH, IS, Cr PA

		C	E	H	M	P	S	T	V	W	I	Total	
sections	excludes PA and WE sections	count of 2010 sections	1,571	1,855	989	699	1,591	491	1,157	1,563	795	17	10,728
		count of 2011 sections	1,633	1,861	891	622	1,529	440	1,018	1,458	770	15	10,237
		count of 2012 sections	1,583	1,729	800	589	1,478	446	953	1,439	715	18	9,750
		2012 % of 2010	101%	93%	81%	84%	93%	91%	82%	92%	90%	106%	91%
		2012 % of 2011	97%	93%	90%	95%	97%	101%	94%	99%	93%	120%	95%
enrolls	excludes PA and WE enrollments	Sum of 2010 Enrollments	45,671	66,095	29,039	25,763	49,912	15,652	36,566	48,441	29,132	2,070	348,341
		Sum of 2011 Enrollments	49,358	69,008	28,650	23,766	47,288	13,173	35,358	43,792	28,700	2,294	341,387
		Sum of 2012 Enrollments	46,919	64,426	26,203	22,249	48,137	13,355	31,196	44,429	26,504	2,865	326,283
		2012 % of 2010	103%	97%	90%	86%	96%	85%	85%	92%	91%	138%	94%
		2012 % of 2011	95%	93%	91%	94%	102%	101%	88%	101%	92%	125%	96%
enrl/sctn		2010 enrollments/sections	29	36	29	37	31	32	32	31	37	122	32
		2011 enrollments/sections	30	37	32	38	31	30	35	30	37	153	33
		2012 enrollments/sections	30	37	33	38	33	30	33	31	37	159	33
		2012 % of 2011	98%	100%	102%	99%	105%	100%	94%	103%	99%	104%	100%

<b>8</b> = Day Relative to Beginning of Instruction	
Comparison Dates	2010 Tuesday, September 07, 2010
	2011 Tuesday, September 06, 2011
	2012 Tuesday, September 04, 2012

Day 0 = Monday of first week

## HEADCOUNT

Credit Active: Headcount for all credit active, not restricted to WSCH

CREDIT ACTIVE HEADCOUNT		C	E	H	M	P	S	T	V	W	I	Total
2010	Total CREDIT_ACTIVE Headcount	17,374	27,023	10,746	11,185	20,781	7,289	15,672	19,925	11,673	1,410	143,078
	Day 0 Headcount	18,844	27,797	10,691	10,080	19,863	6,407	15,466	17,984	11,532	1,523	140,187
2011	Total CREDIT_ACTIVE Headcount	18,844	27,797	10,691	10,080	19,863	6,407	15,466	17,984	11,532	1,523	140,187
	Day 0 Headcount	17,965	25,723	9,992	9,574	17,941	5,869	14,322	16,728	11,064	1,478	130,656
2012	Total CREDIT_ACTIVE Headcount	18,229	26,012	9,789	9,781	19,392	6,711	13,848	18,291	10,754	1,883	134,690
	Day 0 Headcount	18,229	26,012	9,789	9,781	19,392	6,711	13,848	18,291	10,754	1,883	134,690
12 % of 11	total CREDIT_ACTIVE Headcount	97%	94%	92%	97%	98%	105%	90%	102%	93%	124%	96%

## ENROLLMENTS

### WSCH, DSCH, IS, Cr PA

		C	E	H	M	P	S	T	V	W	I	Total	
sections	excludes PA and WE sections	count of 2010 sections	1,590	1,880	990	699	1,605	493	1,160	1,565	795	17	10,794
		count of 2011 sections	1,641	1,864	891	623	1,533	440	1,020	1,459	771	15	10,257
		count of 2012 sections	1,584	1,735	807	589	1,484	447	958	1,440	715	18	9,777
		2012 % of 2010	100%	92%	82%	84%	92%	91%	83%	92%	90%	106%	91%
		2012 % of 2011	97%	93%	91%	95%	97%	102%	94%	99%	93%	120%	95%
enrolls	excludes PA and WE enrollments	Sum of 2010 Enrollments	48,323	71,920	31,968	26,553	54,014	18,671	39,426	50,722	30,357	2,200	374,154
		Sum of 2011 Enrollments	50,825	73,554	30,874	24,181	51,368	14,732	37,490	45,830	30,102	2,284	361,240
		Sum of 2012 Enrollments	47,800	67,126	27,302	23,000	50,287	14,387	33,381	44,651	26,197	2,977	337,108
		2012 % of 2010	99%	93%	85%	87%	93%	77%	85%	88%	86%	135%	90%
		2012 % of 2011	94%	91%	88%	95%	98%	98%	89%	97%	87%	130%	93%
enrl/sctn		2010 enrollments/sections	30	38	32	38	34	38	34	32	38	129	35
		2011 enrollments/sections	31	39	35	39	34	33	37	31	39	152	35
		2012 enrollments/sections	30	39	34	39	34	32	35	31	37	165	34
		2012 % of 2011	97%	98%	98%	101%	101%	96%	95%	99%	94%	109%	98%



**DRAFT**

**RECOMMENDATION**

**Executive Committee of the District Budget Committee**  
**Review of District Reserve and Balance**

(revised June 12, 2012, June 25, 2012, July 12, 2012, Sept. 4, 2012)  
(DBC reviewed July 18, 2012)

To maintain fiscal stability, the district shall establish its reserve and use of balances as follows:

1. *Set aside a General Reserve equal to 5 percent of the prior fiscal year's Unrestricted General Fund expenditures;*
2. *Set aside a Contingency Reserve equal to 5 percent of the current year's Unrestricted General Fund Revenue;*
3. *Colleges shall keep their year-end balances up to 5 percent of their prior fiscal year's Unrestricted General Fund budget, excluding prior year balances;*
4. *The procedure in #3 will only affect the carry forward balances of FY 2012-13 and future years; the accumulated balances as of FY 2011-12 or prior shall remain with the colleges;*
5. *Colleges are allowed to carry over their accumulated balances from FY 2012-13 and subsequent fiscal years up to 10% of their prior year Unrestricted General Fund budget; and,*
6. *Colleges and the district office shall retain their prior year ending balances, including open orders, in accordance with #3 and #5 above. Colleges will be allowed to use up to \$5 million or 25% of their ending balances, whichever is less. Additional access is allowed with the Chancellor's approval.*



## 2013 - 2014 PROPOSED BUDGET DEVELOPMENT CALENDAR

DRAFT

DATE	ACTIVITY
<b>SEPTEMBER, 2012</b>	<b>DEVELOPMENT OF BUDGET PREPARATION ACTIVITIES</b>
September 5	District Budget Committee reviews proposed Budget Development Calendar.
September 12	Finance and Audit Committee Meeting.
September 19	Notice of Budget Development Calendar presented to Board of Trustees.
<b>OCTOBER, 2012</b>	<b>DEVELOPMENT OF BUDGET PREPARATION ACTIVITIES</b>
October 3	A) Adoption of Budget Development Calendar; B) Finance and Audit Committee Meeting.
October 10 - 31	College Projections and Financial Plans Review.
October 30	1st Quarter Reports due from colleges.
<b>NOVEMBER, 2012</b>	<b>DEVELOPMENT OF BUDGET OPERATION PLAN</b>
November 6	Initial assessment projections of Centralized accounts.
November 7	A) Finance and Audit Committee receives briefing on 1st Quarter Rep.; B) 1st Quarter Report submitted to Board of Trustees for approval.
November 8 - 30	Review of Centralized Accounts Projection.
November 15	1st Quarter Report due to State.
November 28	Constituencies review of 1st Quarter Report and Districtwide projections.
<b>DECEMBER, 2012</b>	<b>BUDGET PREP WORKSHOP</b>
December 3 - 4	A) Budget Prep file available; B) Budget Prep Workshop.
December 12	Finance and Audit Committee Meeting.
December 19	Constituencies review of mid-year projections and possible mid-year reductions.
<b>JANUARY, 2013</b>	<b>GOVERNOR'S PROPOSED STATE BUDGET AND PRELIMINARY ALLOCATIONS</b>
January 4	A) Budget Office distributes Budget Operation Plan Instructions; B) Dedicated Revenue Projections due in the Budget Office.
January 7 - 11	Budget Office reviews colleges' 2013-14 dedicated revenue projections.
January 7 - 31	Cabinet reviews Proposed 2013-14 Preliminary Allocation.
January 16	Finance and Audit Committee Meeting
January 22	CFO and Accounting Office provide initial ending balance projections.
January 23	Constituencies review Proposed 2013-14 Preliminary Allocation.
January 31	2nd Quarter Reports due from colleges.
<b>FEBRUARY, 2013</b>	<b>CONSTITUENCIES REVIEW BUDGET STATUS</b>
February 4	Budget Office distributes 2013-14 Preliminary Allocation.
February 5 - 28	Cabinet reviews 2013-14 Budget update.
February 6	A) Finance and Audit Committee receives briefing on 2nd Quarter Report; B) 2nd Quarter Report submitted to Board of Trustees for approval.
February 14	2nd Quarter Report due to State.
February 19 - 28	Constituencies review 2nd Qtr Report & College Financial Plans.
February 20	CFO and Accounting Office update ending balance projections.
<b>MARCH, 2013</b>	<b>PREPARATION OF PRELIMINARY BUDGETS</b>
March 1	Budget Prep files transmitted to Budget Office.
March 4 - 18	Technical review of Budget Prep data files and upload to SAP.
March 6	Finance and Audit Committee Meeting.
March 22	A) CFO and Accounting Office update ending balance projections; B) Preliminary Budget available on SAP system.

2013 - 2014 PROPOSED BUDGET DEVELOPMENT CALENDAR

DRAFT

DATE	ACTIVITY
<b>APRIL, 2013</b>	<b>REVIEW OF PRELIMINARY BUDGET DATA</b>
April 2 - May 10	Open period for Tentative Budget adjustments (First Adjustment).
April 3	Finance and Audit Committee Meeting
April 22	CFO and Accounting Office update ending balance projections.
April 26	CFO and Accounting Office distribute purchasing & year-end closing schedule.
April 30	3rd Quarter Reports due from colleges.
April 30 - May 21	Budget hearings on preliminary budgets conducted w/coll. administrators.
<b>MAY, 2013</b>	<b>REVENUE PROJECTIONS UPDATED</b>
May 1	A) Board of Trustees authorization to encumber new year appropriations. B) Finance and Audit Committee receives briefing on 3rd Quarter Report;
May 2	Constituencies review budget status.
May 3 - 22	Cabinet receives briefing on Tentative Budget.
May 6	Revised revenue projections based on Governor's proposed State Budget.
May 15	3rd Quarter Report due to State.
May 17	A) Constituencies review May Revise update; B) Constituencies receive briefing on Tentative Budget; C) Open period for Final Budget adjustments (Second Adjustment).
May 15	A) 3rd Quarter Report submitted to Board of Trustees for approval; B) Constituencies receive a briefing on Tentative Budget (Bd Mtg).
May 20	CFO and Accounting Office update ending balance projections.
May 21	Budget Operation Plans due in Budget Office.
<b>JUNE, 2013</b>	<b>TENTATIVE BUDGET</b>
June 12	A) Finance and Audit Committee reviews Proposed Tentative Budget; B) Notice of Tentative Budget to Board of Trustees.
June 18	CFO and Accounting Office update ending balance projections.
June 26	Adoption of Tentative Budget.
June 28	Deadline for submission of revised Dedicated Revenue for Final Budget.
<b>JULY, 2013</b>	<b>REVISION TO REVENUE PROJECTIONS/ALLOCATIONS</b>
July 1	File Tentative Budget report with County and State Agencies.
July 10	Finance and Audit Committee Meeting.
July 18	CFO and Accounting Office run 1st closing activities.
July 19	Constituencies review Budget status.
July 24	A) CFO and Accounting Office update ending balance projections; B) CFO and Accounting Office run 2nd closing activities.
<b>AUGUST, 2013</b>	<b>FINAL BUDGET</b>
August 1	Final year-end closing and establishment of actual ending balances.
August 7*	A) Notice/briefing of Final Budget to Board of Trustees; B) Board Budget and Finance Committee to review Proposed Final Budget.
August 7 - 12*	Publication budget available for public review.
August 21*	Public Hearing and adoption of Final Budget.
<b>SEPTEMBER, 2013</b>	<b>FINAL BUDGET/YEAR-END ANALYSIS</b>
September 13	File Final Budget report with County and State agencies.

\* Based on 2013/14 Board Meeting calendar (TBA).

Revised 08/29/12



**Analysis of Balances**

**Simulation ONLY**

Corrected 9/5/12

Assumptions: a) Projected Budget Allocations for 2013-14 are the same as 2012-13 Budget Allocations

b) Projected Expenditures for 2012-13 and 2013-14 are estimated at 94% and 98% of the 2012-13 Final Budget Allocation respectively (excluding balances and open orders)

	2011-12 College Reserves	2011-12 & Prior Yrs Balances (including Open Orders)	See Rec. #3				See Rec. #5				See Rec. #5			
			2012-13	2012-13	2012-13 Carryover	1st year	2013-14	2013-14	2013-14			2 year Carryover		
			Budget Allocation (excluding balances)	Projected Expenditure (@94% of 2012-13 budget allocation)	Projected Balances, excluding 2011-12 & pr yr balances	Allowable Carryover Balance, excluding 2011-12 & pr yr balances	Projected Budget Allocation (excluding balances)	Projected Expenditure (@98% of 2012-13 budget allocation)	Projected Balances, excluding 2011-12 & pr yr balances	Total Year 1 + Year 2 Balances, excluding 2011-12 & prior yr balances	10% of Budget Allocations	Projected Cumulative Allowable Carryover Balances, excluding 2011-12 & prior yr balances	Excess Balances in Year 1	Excess Balances in Year 2
			a	b	c	d	e= c-d	f=(5% of c) or e, whichever is less	g	h	i=g-h	j=f+i	k = 10% of (g)	l=j or k, whichever is less
City		511,569	49,765,909	46,779,954	2,985,955	2,488,295	49,765,909	48,770,591	995,318	3,483,614	4,976,591	3,483,614	497,659	0
East	25,227,260	10,126,241	75,647,049	71,108,226	4,538,823	3,782,352	75,647,049	74,134,108	1,512,941	5,295,293	7,564,705	5,295,293	756,470	0
Harbor		31,647	25,587,347	24,052,106	1,535,241	1,279,367	25,587,347	25,075,600	511,747	1,791,114	2,558,735	1,791,114	255,873	0
Mission		229,405	23,021,381	21,640,098	1,381,283	1,151,069	23,021,381	22,560,953	460,428	1,611,497	2,302,138	1,611,497	230,214	0
Pierce	4,903,536	5,642,597	49,853,253	46,862,058	2,991,195	2,492,663	49,853,253	48,856,188	997,065	3,489,728	4,985,325	3,489,728	498,533	0
Southwest		-	20,200,585	18,988,550	1,212,035	1,010,029	20,200,585	19,796,573	404,012	1,414,041	2,020,059	1,414,041	202,006	0
Trade-Technical		178,742	43,423,093	40,817,707	2,605,386	2,171,155	43,423,093	42,554,631	868,462	3,039,617	4,342,309	3,039,617	434,231	0
Valley		-	43,692,513	41,070,962	2,621,551	2,184,626	43,692,513	42,818,663	873,850	3,058,476	4,369,251	3,058,476	436,925	0
West		1,719,037	25,962,888	24,405,115	1,557,773	1,298,144	25,962,888	25,443,630	519,258	1,817,402	2,596,289	1,817,402	259,629	0
ITV		88,760	1,250,853	1,175,802	75,051	62,543	1,250,853	1,225,836	25,017	87,560	125,085	87,560	12,509	0
<b>Total</b>	<b>30,130,796</b>	<b>18,527,998</b>	<b>358,404,871</b>	<b>336,900,579</b>	<b>21,504,292</b>	<b>17,920,244</b>	<b>358,404,871</b>	<b>351,236,774</b>	<b>7,168,097</b>	<b>25,088,341</b>	35,840,487	25,088,341	<b>3,584,049</b>	<b>0</b>



# MEMO

OFFICE OF THE PRESIDENT

October 3, 2012

To: Finance & Audit Committee, Board of Trustees

From: Nabil Abu-Ghazaleh, President

Subject: Revenue Generation

I am writing in response to the CFO's request that the colleges provide a description of activities that generate revenue to augment state apportionment.

Presented below, and illustrated on the accompanying bar chart, are non-apportionment revenues earned by West Los Angeles College in the 2011/12 fiscal year, as well as projected revenues for FY 2012/13, within the unrestricted general fund.

### Non-Apportionment Revenues—West Los Angeles College

Description	Actual 11/12	Projected 12/13
Cost recovery from grants	\$ 213,438	\$ 237,000
Cost recovery from Community Services	54,000	84,500
Salvage sales	8,610	10,000
Non-resident tuition	735,872	735,224
Non-resident capital outlay fee	51,760	22,500
Non-resident SEVIS fees	5,800	5,600
Non-resident application processing fees	3,010	4,000
Rental of college facilities	335,717	415,900
Contract Education	39,770	97,000
College foundation donations		80,000
Parking citations	77,306	90,000
Other fees	7,321	7,000
<b>Totals</b>	<b>\$ 1,532,604</b>	<b>\$ 1,788,724</b>

Most of these revenue sources are reported in the "Dedicated Revenues" portion of the college's unrestricted budget. For some of the revenue streams, the figures projected for 2012/13 reflect increases from the amounts estimated in the Final Budget. Also, because the list is confined to the college's *unrestricted* budget, it excludes revenues from grants and other restricted sources that directly fund some of West's programs, and defray the associated operating expenses, but are accounted for in the *restricted* general fund budget of the college.

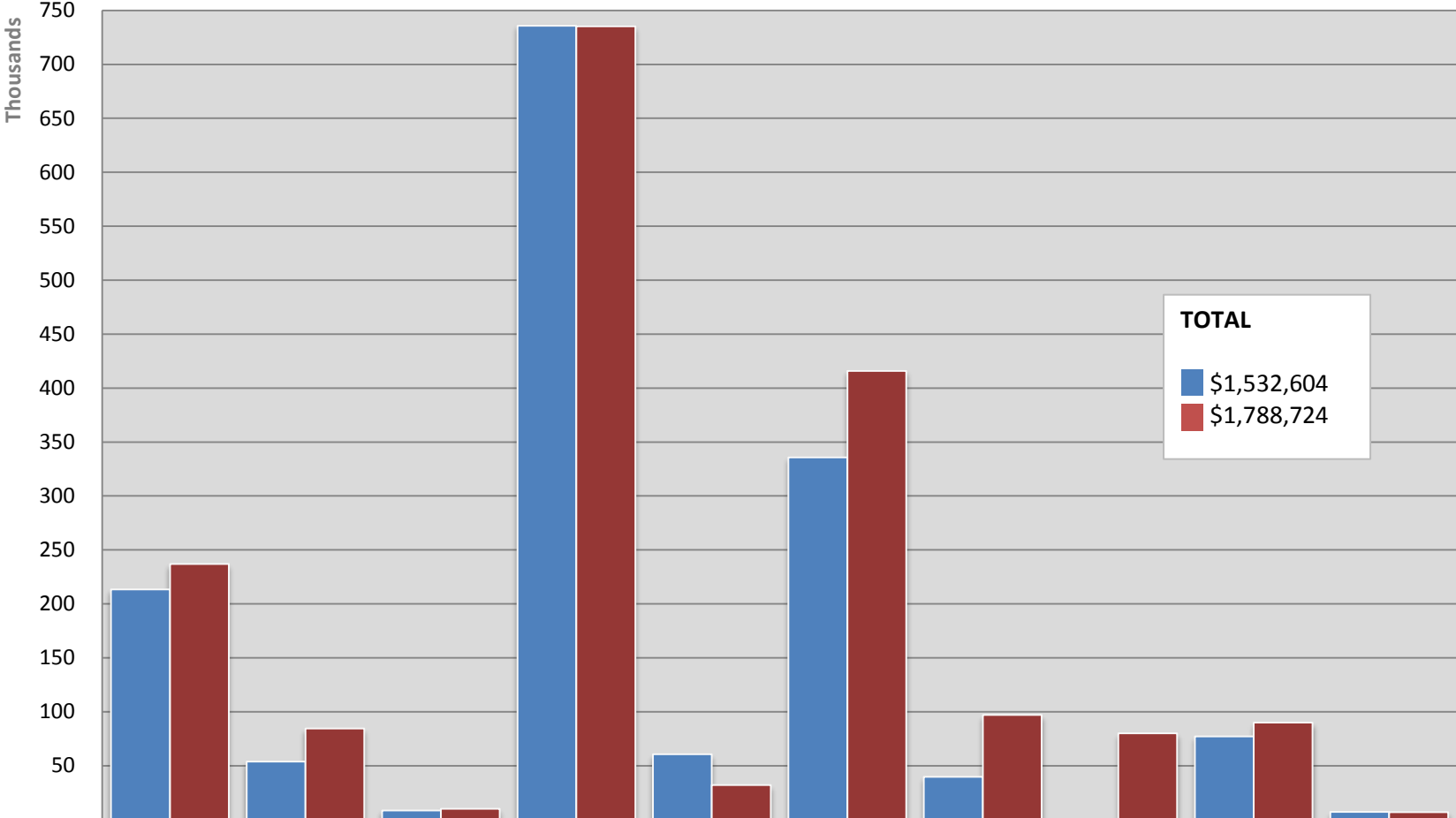
In the future West LA College expects to continue to pursue grant funding of activities that align with the college's strategic goals. In the current year, for example, more than \$400,000 is budgeted in a federal grant to continue piloting a book-rental program that reduces textbook costs for students, thereby improving access to our instructional program.

In addition, the administration is currently working with the college foundation to accelerate fundraising and increase the foundation's capacity to support college needs that can no longer be paid for from state funds. This past summer \$80,000 was contributed to the college to fund an assortment of purchases, such as lab equipment for the Science department. The foundation's focus now is to build fundraising capacity by attracting grant funding to hire development professionals who can create sustainable donor sources.

Finally, as the local economy continues to recover the college is seeing an uptick in demand for the rental of college facilities. Film shoots are on the rise and permit/lease rentals of campus facilities are also increasing. And as classes are reduced in response to workload reductions from the state, idle college facilities are providing an increased supply of square footage to meet this rising demand for rental space. This includes institutional partnerships that align with the college's educational mission, such as the pending lease with Brandman University, part of the Chapman University System.

# West Los Angeles College

## DEDICATED REVENUE



	Admin Cost Recovery Grants	Admin Cost Recovery Community Service	Salvage sales	NR Tuition	NR Cap outlay & other fees	Rentals college site	Contract Education	Other local income donation	Parking citations	Other fees
Actual 11/12	213,438	54,000	8,610	735,872	60,570	335,717	39,770	-	77,306	7,321
Projected 12/13	237,000	84,500	10,000	735,224	32,100	415,900	97,000	80,000	90,000	7,000

**West Los Angeles College**  
**MONTHLY PROJECTION - First Report**  
Based on 2012-13 Final Budget

<b>REVENUE:</b>		<b>2012-13</b>						
		[a] 2012-13 Final Budget as of 08/22/12		[b] Projected Revenue as of 08/22/12	[c] Revenue Increase +	[d] Revenue Decrease (-)	[e] Ref.	[f] = [b]+[c]+[d] Projected Revenue as of 07/31/12
<b>2011-12 Ending Balance</b> (including Open Orders)		1,719,037		1,719,037				1,719,037
2012-13 DO, DW, ITV Balances Redistribution		239,511		239,511				239,511
<b>2012-13 Final Budget Allocation w/o Balance</b>		25,962,888		25,962,888				25,962,888
Revenues after Final Budget (details listed on MoProj_Backup page)					245,000		<b>A1</b>	245,000
<b>PROJECTED REVENUE</b>		<b>27,921,436</b>		<b>27,921,436</b>	<b>245,000</b>	<b>0</b>		<b>28,166,436</b>
<b>EXPENDITURES:</b>		2012-13 Final Budget as of 08/22/12	2011-12 YE as of 08/09/11	Projected Expenditure as of 08/22/12	Expenditure Increase +	Expenditure Decrease (-)	Ref.	Projected Expenditure as of 07/31/12
<b>110000</b>	TEACHING, REG	5,790,604	5,682,258	5,682,258	37,270		B1	5,719,528
<b>120000</b>	NON-TCHNG, REG	3,296,448	3,022,052	3,022,052	166,211	17,744	B2,C1	3,170,519
<b>130000</b>	TEACHING, HRLY	3,455,853	5,139,098	5,139,098		572,645	C2	4,566,453
<b>140000</b>	NON-TCHNG, HRLY	189,281	325,322	325,322		136,041	C3	189,281
<b>190000</b>	MISC-CERTIF SAL	0	0					
	<b>TTL CERTIF SAL</b>	<b>12,732,186</b>	<b>14,168,731</b>	<b>14,168,730</b>	<b>203,481</b>	<b>726,430</b>		<b>13,645,781</b>
<b>200000</b>	NON-CERTFCTD SAL	0	0					
<b>210000</b>	CLASSIFIED, REG	5,701,189	5,560,063	5,560,063	253,389	195,413	B3,C4	5,618,039
<b>220000</b>	INSTR'L AIDE, REG	750,910	747,441	747,441				747,441
<b>230000</b>	SUB/RELIEF, UNCLSS	27,093	55,065	55,065		27,972	C5	27,093
<b>240000</b>	INSTR'L AIDE, N-PERM	161,632	168,468	168,468		6,836	C6	161,632
<b>290000</b>	MISC. CLASSIF SAL	0	0					
	<b>TTL CLASSIF SAL</b>	<b>6,640,824</b>	<b>6,531,036</b>	<b>6,531,037</b>	<b>253,389</b>	<b>230,221</b>		<b>6,554,205</b>
<b>420000</b>	BOOKS	11,631	9,329	9,329	2,302		B4	11,631
<b>440000</b>	INSTR'L MEDIA MAT'L	38,750	37,153	37,153	1,597		B5	38,750
<b>450000</b>	SUPPLIES	183,025	200,707	200,707		17,682	C7	183,025
<b>460000</b>	BOOKSTORE	0	0					
<b>490000</b>	MISC SUPPL & BKS	0	0					
	<b>TTL PRINT &amp; SUPPL</b>	<b>233,406</b>	<b>247,188</b>	<b>247,189</b>	<b>3,899</b>	<b>17,682</b>		<b>233,406</b>
<b>540000</b>	INSURANCE	0	0					
<b>550000</b>	UTILIT & HSKPING	1,090,029	1,034,059	1,034,059	55,970		B6	1,090,029
<b>560000</b>	CONTRACTS & RNTL	406,371	455,132	455,132		48,761	C8	406,371
<b>570000</b>	LEGAL, ELECT, AUDIT	0	0	0				
<b>580000</b>	OTHER EXPENSE	230,232	128,129	128,129	2,103		B7	130,232
<b>590000</b>	MISC OTH EXP	0	0					
	<b>TTL OPER EXP</b>	<b>1,726,632</b>	<b>1,617,320</b>	<b>1,617,320</b>	<b>58,073</b>	<b>48,761</b>		<b>1,626,632</b>
<b>610000</b>	SITES	0	0					
<b>620000</b>	BUILDINGS	0	0					
<b>640000</b>	EQUIPMENT	32,324	39,742	39,741		7,417	C9	32,324
<b>650000</b>	OTH CAPITAL OUTLY	22,341	12,268	12,268	10,073		B8	22,341
<b>690000</b>	MISC.	0	0					
	<b>TTL CAPITAL OUTLY</b>	<b>54,665</b>	<b>52,009</b>	<b>52,009</b>	<b>10,073</b>	<b>7,417</b>		<b>54,665</b>
<b>710000</b>	DEBT SERVICE	0	0					
<b>720000</b>	TUITION TRANSFERS	0	0					
<b>730000</b>	INTERFUND TRANSFER	162,093	162,093	162,093				162,093
<b>739700</b>	INTRAFUND BETWEEN LOCATIONS	0	0					
<b>739800</b>	INTRAFUND - UNRES	0	0					
<b>739900</b>	INTRAFUND TRANSFER	161,399	172,639	172,639		11,240	C10	161,399
<b>740000</b>	REALLOCATION/ADJ	0	0					
<b>750000</b>	LOANS/GRANTS	0	0					
<b>790000</b>	CONTING/UNALLOC	261,334	0					
	<b>TTL OTHER</b>	<b>584,826</b>	<b>334,732</b>	<b>334,732</b>	<b>0</b>	<b>11,240</b>		<b>323,492</b>
	LESS INTRA/UNRES	0	0	0	0	0		0
<b>TOTAL EXPENDITURES w/o benefits</b>		<b>21,972,539</b>	<b>22,951,017</b>	<b>22,951,017</b>	<b>528,915</b>	<b>1,041,751</b>		<b>22,438,181</b>
<b>3x0000</b>	MISC EMPL BEN	5,948,897	6,014,050	6,014,050				6,014,050
<b>TOTAL EXPENDITURES w\benefits</b>		<b>27,921,436</b>	<b>28,965,067</b>	<b>28,965,067</b>	<b>528,915</b>	<b>1,041,751</b>		<b>28,452,231</b>
<b>799110</b>	REMAINING DEFICIT GAP	0	0					
<b>TOTAL NET EXPENDITURES w\benefits</b>		<b>27,921,436</b>	<b>28,965,067</b>	<b>28,965,067</b>	<b>528,915</b>	<b>1,041,751</b>		<b>28,452,231</b>
<b>PROJECTED ENDING BALANCE</b>								<b>(285,795)</b>

#N/A

3/11/13 12:55 PM