

Membership

District Budget Committee

May 13, 2020

1:30 pm – 3:30 pm

Zoom Meeting

Academic Senate

Glen Baghdasarian
Angela Echeverri
Jeff Hernandez
Robert L. Stewart Jr.
Eddie Tchertchian
Joshua Wentz

Faculty Guild

Joseph Guerrieri
Sandra Lee
John McDowell
Olga Shewfelt
Joanne Waddell*
vacant

Unions/Association

Mary-Jo Apigo
Arif Ahmed
Kathleen Becket
Shirley Chen Page
Steve Paine
Vacant-Build & Trade

College Presidents

Seher Awan
Mary Gallagher
Barry Gribbons
Otto W. Lee
James M. Limbaugh
Alexis Montevirgen
Monte Perez*
Raul Rodriguez**
Katrina VanderWoude

**STUDENT TRUSTEE
REPRESENTATIVE**

vacant

* Co-chairs

**Interim

1. Call to Order (*Monte Perez*)
2. Approval of Agenda
3. Approval of Minutes for April 15, 2020
4. Chancellor's Remarks/Updates
5. 2019-20 Revenue Update & 3 year scenarios (Gordon)
6. ECDBC Reports and Recommendations
7. Enrollment Update & Reporting (Cornner)
8. FON Update (Román)
9. Updated District Accountability Measures & Debt Repayment Policy
10. Info Tech Restructure (Lidz)
11. 2019-20 Year End Balance Projection – 3rd Qtr 311 Report (Gordon)
12. 2020-21 Proposed Tentative Budget (Gordon)
13. DBC Recommendations to the Chancellor
14. Items to Be Addressed by ECDBC
15. Other Business

Future DBC Meetings: Jun 10

Future ECDBC Meetings: May 26, June 23

Archived documents can be found on the DBC website:

<http://laccd.edu/Departments/DistrictLevelGovernance/DBC/Pages/default.aspx>

Los Angeles Community College District
 District Budget Committee Meeting Minutes
 April 15, 2020
 1:00-3:00 p.m., Zoom Meeting

Roll Call X Indicates Present

Academic Senate

Glen Baghdasarian	X
Angela Echeverri	X
Jeff Hernandez	X
Robert L. Stewart Jr.	X
Eddie Tcherchian	X
Joshua Wentz	X

L.A. Faculty Guild

Joseph Guerrieri	X
Sandra Lee	X
John McDowell	X
Olga Shewfelt	
Joanne Waddell*	X
Vacant	

Unions/Association

Arif Ahmed; Local 721	X
Mary-Jo Apigo; Local 911 Teamster	X
Kathleen Becket; SEIU Local 99	
Shirley Chen Page; Local 1521A	
Steve Paine; Class Mgmt. Rep	
Vacant-Build & Cost Trade	

College Presidents

Seher Awan	X
Mary Gallagher	X
Barry Gribbons	X
Otto W. Lee	X
James M Limbaugh	X
Alexis Montevirgen	X
Monte E. Perez*	X
Raul Rodriguez**	X
Katrina VanderWoude	X

Student Trustee Rep
 vacant

* DBC CO-chairs

** Interim

Also Present

Resource Persons

Ryan Cornner
 Jeanette L. Gordon
 Mercedes Gutierrez
 Deborah La Teer
 Carmen Lidz
 Melinda A. Nish
 Maury Pearl
 Stacie Pinkett
 Francisco C. Rodriguez
 Albert J. Román

Guests

Tangelia Alfred
 Silvia Barajas
 Kristi Blackburn
 Larry Frank
 Chee Grace
 Daniel Hall
 Tom Jacobsmeyer
 Mike Lee
 Rasel Menendez
 Erika Miller
 Fernando Orleas
 Pamela Sanford
 Elarton-S William

1. **Call to Order** - at 1:05 p.m. by Joanne Waddell
2. **Approval of Agenda** – The Agenda was approved, the order of the agenda was rearranged to accommodate the Chancellors request.
3. **Approval of Minutes** - The minutes of the March 11, 2020 meeting were approved.
4. **Chancellor's Remarks/Updates**
 - COVID-19 update, 32 cases around the district since it began, 4 weeks ago. The District has one sad and unfortunate death related to COVID-19.
 - Three phases: response, stabilization and recovery. Shifting into remote learning format, remote teaching and learning format, remote operations and remote student services. LACCD has transition close to 8,000 courses to train and educate to support the remote teaching environment. LACCD implemented resources and supports for students to bridge the students needs. Over a million dollars was raised from various support foundation groups towards the provision of laptops and connectivity, emergency aid and food support.
 - Almost 100% of our employees are working remotely and 95% of courses are delivered online with high level of reliability and high level of service and support. LACCD has encumbered close to \$10 million from our reserves directly to the direct response to COVID-19. It covers everything from overtime to supplies to taxes, technology to software to hardware, to overtime for the Sheriff's Department, security and other cost associated with paying student workers for two weeks.
 - LACCD shifted the academic calendar shift the semester to give the space needed to train and to transition into a remote teaching and learning online environment due to campus closures not returning to campus anytime soon.
 - A recovery phase through whole variety of training education, safety equipment, social distancing practices, cleaning guidelines, that will allow the colleges to be safe, clean and maintain during this period.
5. **CARES Act (Gordon)**
 - The \$2.2 trillion stimulus bill include \$31 billion for education of which about \$14 billion will go to higher education to support the emergency needs of students and to support institutions coping with the immediate effects of coronavirus.
 - IHEs will receive \$12.8 billion of funds based on relative share of Pell Grant recipients.
 - The Colleges will receive a total allocation amount of \$45 million and the minimum allocation to be awarded for emergency financial aid grants to students in the amount of \$22.6 million.
6. **5 Year Fiscal Forecast (Gordon)**
 - Ms. Gordon provided a presentation outlining 4 different scenarios.
 - The State was indicated it will not budget for anything other than for COVID-19 related expenses in 2020-21.
7. **ECDBC Reports and Recommendations**
 - No report, the meeting scheduled for March 24, 2020 was cancelled.
8. **Enrollment Update & Reporting (Corrner)**
 - Summer Enrollment starts May 4, 2020, which will have a major impact on future semesters based on enrollment. Currently we are 2% better than last year and slightly ahead.
 - The numbers of Pell Grants recipients are doing extremely well with the Financial Aid packaging. With the new software, the packaging is much quicker and the numbers are solid.
 - Enrollment is currently projected to be flat over the year.
 - LACCD is working in partnership with LAUSD on a dual enrollment program, which will allow LAUSD high school students to enroll in our summer classes to earn high school credits due to LAUSD school closures due to COVID-19. LACCD anticipate a positive trend of increase in enrollment at LACCD campus.
9. **FON Update (Roman)**

- There are not significant changes from the prior report.
- Do not anticipate a problem meeting the Faculty Obligation Number for 2019-20, required two full time Faculty to meet our FON for Fall 2020. Currently, there are 12 Faculty positions open for recruiting to be filled; of which 6 are non-credit. All positions are moving forward virtually, including the Presidential search for East.

10. COVID – 19 Expenses (Gordon)

- A handout titled *Los Angeles Community College District Current and Projected Cost to COVID-19 Response as of 4-9-2020* was displayed and discussed.
- The expenditures are categorized as follows: Custodial Support, Information Technology, ADA Compliance, Security, and Remote/ Online Conversion/Professional Development, As of April 9, 2020 the total expenditures are \$6.8 million.
- The committee requested the detail of the expenditures.

11. Ending Balance vs Reserves (Gordon)

- Ms. Gordon reviewed the General Fund Unrestricted Ending Balance as of June 30, 2019, discussing the difference between ending balance and reserves.

12. DBC Recommendation to the Chancellor

- No Recommendations to the Chancellor

13. Item to Be Addressed by ECDBC

- None

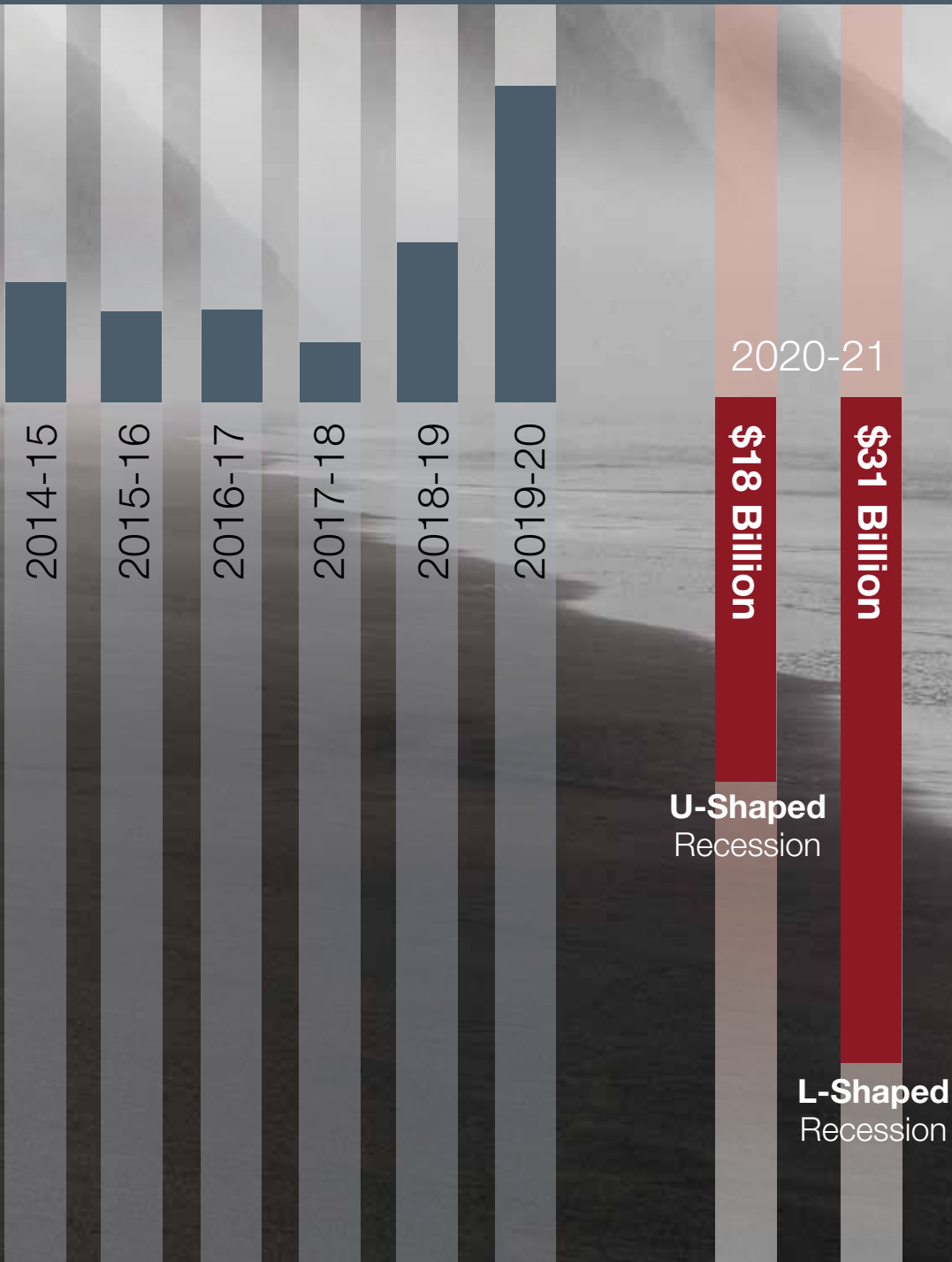
14. Other Business

- None

The meeting was adjourned at 2:56 p.m.

Future DBC Meetings:	May 13, Jun 10
Future ECDBC Meeting:	May 26, Jun 23

The 2020-21 Budget: California's Spring Fiscal Outlook



Executive Summary

The public health emergency associated with the coronavirus disease 2019 (COVID-19) pandemic has resulted in sudden and severely negative economic consequences for California. This has significant implications for the state's budget. This report—our *Spring Fiscal Outlook*—provides an update on the budget's condition in light of this seismic shift. Specifically, we provide our estimates of the potential size of the budget problem—assuming a baseline level of expenditures—that the Legislature could face for 2020-21. Ultimately, the May Revision will include different revenue estimates and expenditure proposals than we used to arrive at our assessment of the budget problem. In fact, the administration very recently released an estimate of the budget problem—about \$54 billion—that is significantly higher than either of our estimates. The intent of this document, however, is to give the Legislature a sense of our estimate of the *baseline* problem going into the May Revision and to help prepare policymakers for the tremendous fiscal challenges ahead.

Report Includes Two Economic Scenarios. Although much is unclear about the economy, we can be fairly confident that the state currently is in a deep recession. The budgetary impact of that recession will depend on its depth and duration, which are difficult to anticipate. In light of this uncertainty, our outlook presents two potential scenarios (1): a somewhat optimistic “U-shaped” recession, and (2) a somewhat pessimistic “L-shaped” recession. These scenarios do *not* depict the best case or worst case. Outcomes beyond the range of our scenarios—especially those worse than we show—are entirely possible.

Budget Problem of \$18 Billion to \$31 Billion. Under the somewhat optimistic U-shaped recession scenario assumptions, the state would have to address an \$18 billion budget problem in the upcoming budget process. Under the somewhat pessimistic L-shaped recession scenario assumptions, the state would face a budget problem of \$31 billion. (A budget problem—also called a deficit—occurs when resources for the upcoming fiscal year are insufficient to cover the costs of currently authorized services.) The administration's estimate is substantially larger than the higher range of our estimate largely because they focus on *gross* changes to the budget's bottom line while our estimates include the *net* effects of current law.

Budget Deficits Persist for Years to Come. The state's newly emergent fiscal challenges are unlikely to dissipate quickly and will extend well beyond the end of the public health crisis. Under both of our economic scenarios, budget deficits persist until at least 2023-24. Over the entire multiyear period, deficits sum to \$64 billion in the U-shaped recession and \$126 billion in the L-shaped recession.

Reserves Are Insufficient to Cover the Budget Problems. Budget reserves are the main tool that the state has to address a budget problem. Under our two economic scenarios, the state has around \$16 billion in total reserves. However, due to the constitutional rules governing the state's main reserve account, we think lawmakers could only have access to around \$10 billion of its reserves in 2020-21. Further, the state's overall reserve level will be inadequate to cover multiyear budget deficits. That said, unlike in past recessions when the state had virtually no reserves on hand and deep cuts were immediately necessary, California today has built a sizeable reserve, which will cushion the coming budget crunch.

Guidance for Addressing the Budget Problem. The report concludes with our guidance for the Legislature as it begins considering how to address the shortfall. First, we recommend the Legislature use a mix of the tools at its disposal in approaching the 2020-21 budget problem. These are: using reserves, reducing expenditures, increasing revenues, and shifting costs. Second, given that multiyear budget deficits are likely to persist for years to come, ongoing solutions are necessary to bring the budget into structural alignment. Third, while programmatic reductions will be necessary, we encourage the Legislature to mitigate actions that could worsen the public health crisis or compound personal economic challenges facing Californians. Finally, we encourage the Legislature to begin making these difficult, but necessary, decisions in June rather than waiting until future budget actions. Delaying action could only increase the size of the ultimate budget problem and make some solutions more difficult to implement.

The public health emergency associated with the coronavirus disease 2019 (COVID-19) pandemic has resulted in sudden and severe economic consequences for California. This has significant implications for the upcoming budget. While the January Governor’s budget anticipated the state would have a surplus to allocate in 2020-21, the administration’s forthcoming May Revision forecasts a substantial decline in state revenues and an ensuing budget deficit. Policymakers face a constitutional deadline to pass a balanced budget by June 15 for the upcoming fiscal year, 2020-21.

Given the seismic shift in public health and economic conditions, we have updated our fiscal outlook—typically produced each fall—to help the Legislature prepare for the May Revision. This report—our *Spring Fiscal Outlook*—gauges the potential size of the budget problem under two sets of economic conditions and a “workload” or “baseline” level of expenditures. (We also identify some alternatives available to the Legislature to reduce the baseline expenditure level without reducing the level of state services being provided today.) Ultimately, the May Revision will include different revenue estimates and expenditure proposals than we used to arrive at our assessment of the budget problem.

WHAT DOES THE PANDEMIC MEAN FOR THE ECONOMY?

Pandemic Presents Major Disruptions and Uncertainty. The COVID-19 pandemic has necessitated dramatic changes to the daily lives of California’s residents and businesses. While these changes clearly have had far-reaching negative impacts on the state economy, the ultimate extent and severity of these impacts will remain unclear for some time. Much will depend on the trajectory of the public health crisis. How long will social distancing measures be necessary? How long until an effective treatment or vaccine is widely available? How long until people feel comfortable resuming prior levels of spending and economic activity? These questions are impossible to answer with certainty but are crucially important to the path of the state economy going forward.

What We Know: Economy Is in a Deep Recession. Although much is unclear about the economy, we can be fairly confident that the state (and the rest of the world) currently is in a deep recession. Since the beginning of March, 3 million to 4 million Californians appear to have lost their jobs. Households have curtailed spending significantly. Nationally, spending at restaurants was down about 25 percent in March. New car purchases were down by almost half in April. Pending home sales so far this spring have dropped by over 40 percent in major markets in California. These declines in economic activity surpass the worst of the Great Recession in most cases.

Key Unknown: How Long Will the Recession Last? While economic activity has declined sharply, the severity of the recession and its impact on Californians will depend not only on the depth of the downturn but also on how long it lasts. Anticipating the length of the downturn is extremely difficult. In light of this uncertainty, our outlook looks at two potential scenarios. These scenarios aim to illustrate the range of common predictions among economists, from a somewhat optimistic view on one end to a somewhat pessimistic view on the other. Crucially, we do *not* attempt to capture all possible outcomes, and our scenarios are *not* depictions of the best-case or worst-case scenarios. Outcomes beyond the range of our scenarios—especially those worse than we show—are entirely possible. We discuss the contours of our two scenarios below. **Figure 1** (see next page) shows our assumptions for key economic variables under each scenario.

“U-Shaped” Recession. On the somewhat optimistic end of potential paths for the economy is the so-called U-shaped recession. Under this scenario, the economy would begin to see meaningful recovery this summer, as broadly measured by personal income and employment. Although economic activity would remain below pre-recession levels well into 2021, the recovery would take a more rapid pace beginning in the second half of 2021. A key observation in support of this scenario is that, prior to the pandemic, the economy did not appear to have the types of imbalances that led to previous recessions. Prior to the current downturn, household borrowing was much lower than it was leading into the Great Recession. Similarly, there did not appear to be signs of major overheating in key assets, as with stocks in the dot-com recession

and housing in the Great Recession. As a result, Californians may be in a better position to weather the downturn and the economy may be poised to rebound more quickly once the threat of the virus subsides.

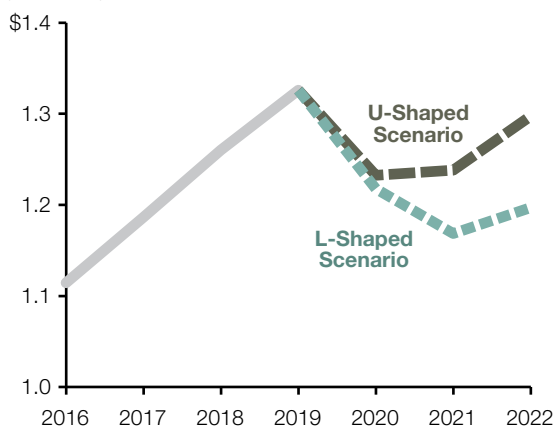
“L-Shaped” Recession. A somewhat pessimistic potential path for the economy is the so-called L-shaped recession. Under this scenario, the economy would remain in a significant slump well into 2021. Gradual recovery would begin in the second half of 2021, but the economy would not return to pre-recession levels until at least 2023. Several factors could drive such a protracted downturn. Some factors relate to the virus and the associated public health response. For example, as public health restrictions are eased some residents or businesses may attempt to resume activities too quickly, leading to renewed outbreaks and the need for additional rounds of restrictions. Some factors relate to potential economic fallout of the virus. For example, the current scale of job losses could mean many workers will remain out of the workforce for an extended period of time. Additionally, many businesses could be forced into bankruptcy as they are unable to weather the current shutdown or are unable to adapt their operations to allow social distancing.

Figure 1

Projections of Key Economic Variables

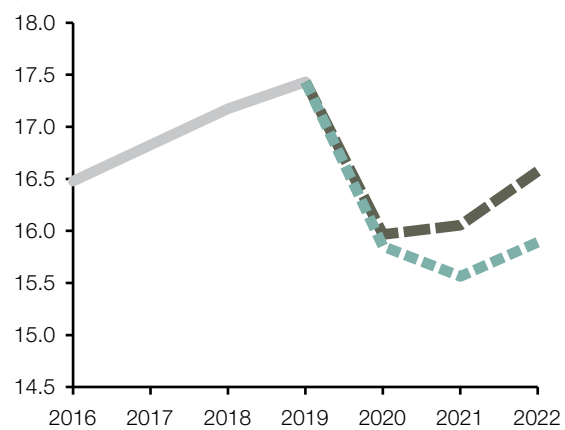
Wages and Salaries

(In Trillions)



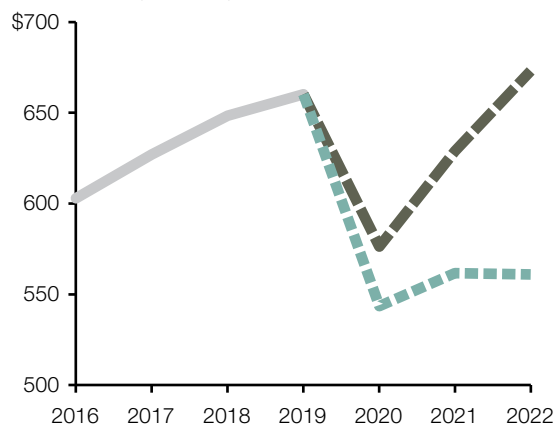
Payroll Jobs

(In Millions)

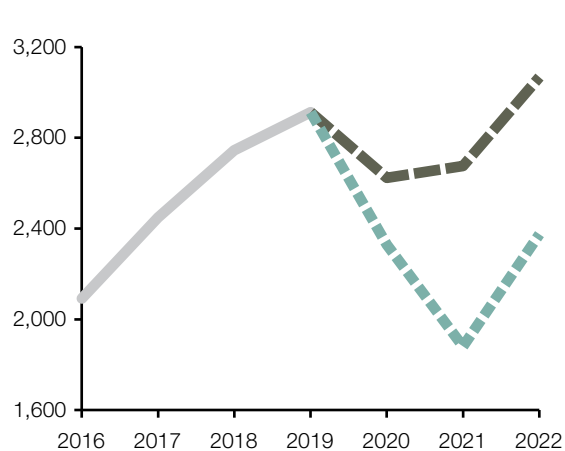


Taxable Sales

Excludes Fuel (In Billions)



S&P 500 Index



LAO

WHAT IS OUR ESTIMATE OF THE BUDGET PROBLEM?

Using the two economic scenarios described earlier, this section presents our estimates of the possible budget problem. (The box on page 6 describes what the term “budget problem” means in more detail.) We begin by describing the budget problem assuming the state were to maintain its current service level. Next, we describe some alternative assumptions that—if used—would result in a lower (or higher) budget problem. Finally, we conclude with our estimate of the budget problem that could occur over the multiyear period.

Budget Problem of \$18 Billion to \$31 Billion for 2020-21

Figure 2 summarizes the key assumptions in each of the two economic scenarios assuming the state maintains its current service level.

Budget Problem of \$18.1 Billion Under U-Shaped Recession. **Figure 3** (see next page) shows our estimate of the General Fund condition under the somewhat optimistic U-shaped recession scenario described earlier. As the figure shows, under these economic assumptions, the state would have an \$18.1 billion budget problem to solve in the upcoming budget process.

Budget Problem of \$31.4 Billion Under L-Shaped Recession. **Figure 4** (see next page) shows our estimate of the General Fund condition under the somewhat pessimistic L-shaped recession scenario. As the figure shows, under these economic assumptions, the state would have a \$31.4 billion budget problem to solve in the upcoming budget process.

Figure 2		
Key Assumptions for LAO Baseline Budget Estimates		
	U-Shaped Scenario	L-Shaped Scenario
Economy	Economy begins meaningful recovery this summer, but would remain below pre-recession levels well into 2021. The recovery would take a more rapid pace beginning in the second half of 2021.	Economy remains in a significant slump well into 2021. Gradual recovery begins in the second half of 2021, but the economy does not return to pre-recession levels until at least 2023.
Schools and Community Colleges (Proposition 98)	The state funds schools and community colleges in 2020-21 at the enacted 2019-20 level, adjusted for the 2.31 percent statutory cost-of-living adjustment and changes in attendance.	The state funds schools and community colleges in 2020-21 at the enacted 2019-20 level, adjusted for the 2.31 percent statutory cost-of-living adjustment and changes in attendance.
Other Programs	The state funds: <ul style="list-style-type: none"> • \$7 billion in COVID-19 response-related costs. • Increased costs associated with caseload, population, and enrollment growth. • Salary and other compensation cost increases for universities and state employees (after current MOUs expire). The state does not fund: <ul style="list-style-type: none"> • New discretionary proposals from January. 	
Federal Funding	The state receives: <ul style="list-style-type: none"> • 75 percent reimbursement from FEMA for \$7 billion in COVID-19-related costs. • Enhanced FMAP until December 2021. CRF funds not allocated to address state costs.	The state receives: <ul style="list-style-type: none"> • 75 percent reimbursement from FEMA for \$7 billion in COVID-19-related costs. • Enhanced FMAP until December 2022. CRF funds not allocated to address state costs.
<small>COVID-19 = coronavirus disease 2019; MOUs = memorandum of understanding; FEMA = Federal Emergency Management Agency; FMAP = federal medical assistance percentage; and CRF = Coronavirus Relief Fund.</small>		

Figure 3
General Fund Condition Under LAO Spring Outlook
General Fund, U-Shaped Scenario (in Millions)

	2019-20	2020-21
Prior-year fund balance	\$8,403	-\$3,332
Revenues and transfers	140,271	132,873
Expenditures	152,006	145,517
Ending fund balance	-\$3,332	-\$15,977
Encumbrances	2,145	2,145
SFEU Balance	-5,477	-18,122
Reserves		
BSA balance	\$15,630	\$15,630
Safety Net Reserve	900	900
Total Reserves	\$16,530	\$16,530

SFEU = Special Fund for Economic Uncertainties and
 BSA = Budget Stabilization Account.

Figure 4
General Fund Condition Under LAO Spring Outlook
General Fund, L-Shaped Scenario (in Millions)

	2019-20	2020-21
Prior-year fund balance	\$8,295	-\$4,210
Revenues and transfers	139,536	120,465
Expenditures	152,040	145,517
Ending fund balance	-\$4,210	-\$29,262
Encumbrances	2,145	2,145
SFEU Balance	-6,355	-31,407
Reserves		
BSA balance	\$15,302	\$15,302
Safety Net Reserve	900	900
Total Reserves	\$16,202	\$16,202

SFEU = Special Fund for Economic Uncertainties and
 BSA = Budget Stabilization Account.

What Is a Budget Problem?

A budget problem—also called a budget deficit—occurs when resources for the upcoming fiscal year are insufficient to cover the costs of currently authorized services. As such, calculating the budget problem involves two main steps:

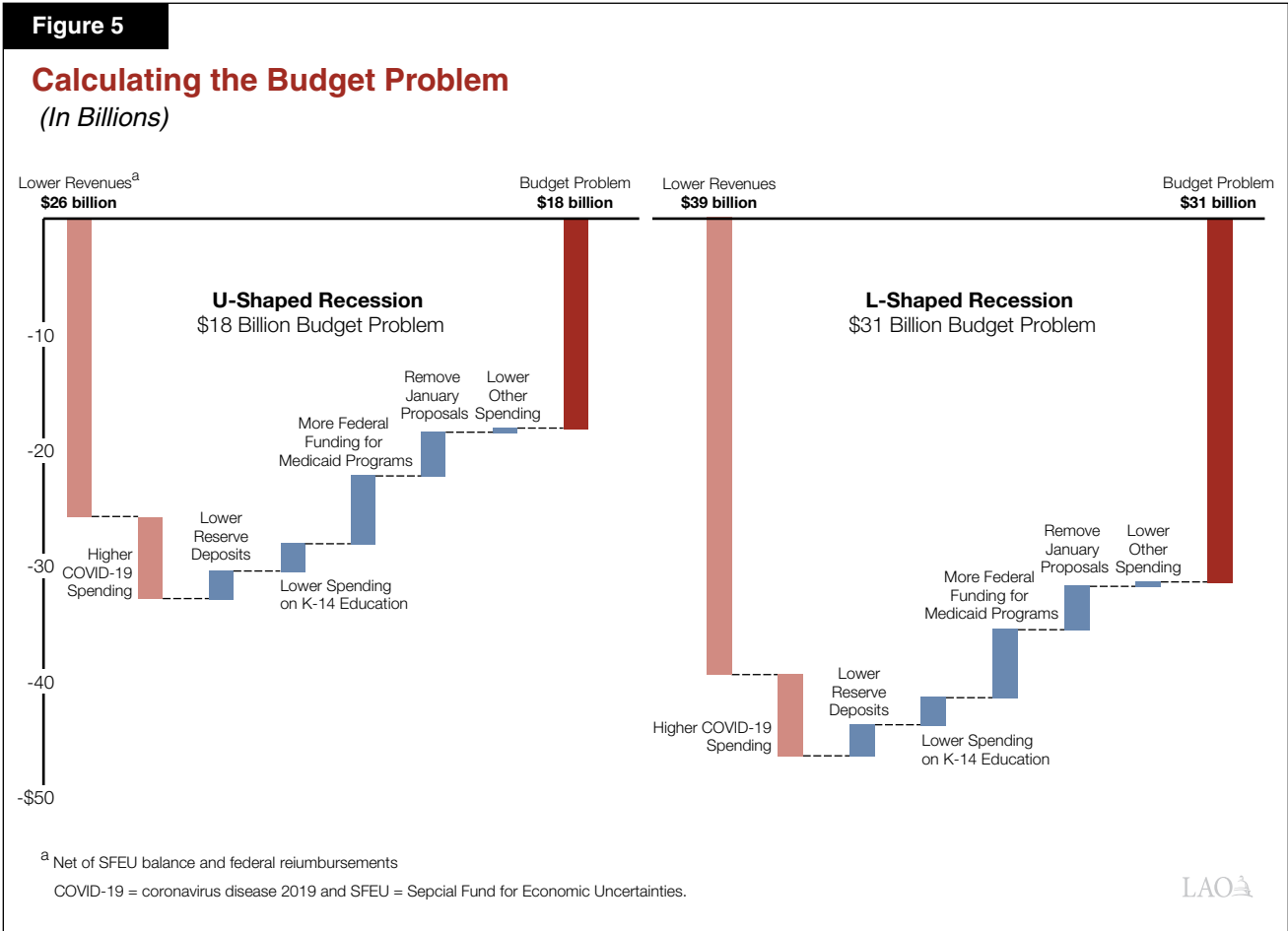
- **Projecting Anticipated Revenues.** First, we estimate how much revenue will be available for the upcoming year. This means using assumptions about how the economy is likely to perform over the coming 14 months and then using those assumptions to project revenue collections.
- **Estimating Current Service Level.** Second, we compare those anticipated revenues to the level of spending to support the current service level (roughly the service level of the *2019-20 Budget Act*). Projecting current service spending, which we also call “baseline spending,” has several components. For example, it requires us to project how caseload will change for means-tested programs, estimate how much federal funding will come to the state based on current federal policy, and make many other assessments.

When current service level spending exceeds anticipated revenues the state has a budget problem. In this document, the budget problem is reflected in the 2020-21 ending balance in the Special Fund for Economic Uncertainties, shown in Figure 3 and Figure 4.

Budget Problem Must Be Addressed. The State Constitution requires the Legislature to pass a balanced budget. As a result, when the state faces a budget problem, the Legislature must solve the problem using a combination of tools. The main tool for solving a budget problem is building a savings account—called a reserve. If reserves are insufficient to cover the budget problem, however, the Legislature must take other actions to bring the budget into balance. These actions include reducing spending, increasing revenues, and/or shifting costs.

How Do We Calculate the Budget Problem Under the Two Scenarios? Figure 5 summarizes the key components of our calculation estimating the size of the budget problem. (We explain each of these component in more detail in “Appendix 1.”) They are:

- **Lower Revenues.** Under our estimates, revenues and other resources are lower, on net, by \$26 billion in the U-shaped recession scenario and \$39 billion in the L-shaped recession scenario.
- **COVID-19 Spending.** Using an estimate from the administration, we assume the state spends \$7 billion on COVID-19-related costs and 75 percent of those costs are reimbursed by the federal government (the latter is accounted for in revenues).
- **Lower Reserve Deposits.** We assume the state suspends the Budget Stabilization Account (BSA) deposit in 2020-21. On net, this, and other automatic deposit changes, increases resources available by \$2.4 billion in the U-shaped recession and \$2.7 billion in the L-shaped recession.
- **Lower Spending on K-14 Education.** We assume the state funds schools and community colleges at the 2019-20 enacted level, adjusted for inflation and attendance. The box on page 8 describes this assumption and the associated savings relative to the Governor’s budget in more detail.
- **More Federal Funding for Medicaid Programs.** We estimate the recently enacted enhanced federal cost share for state Medicaid programs (Medi-Cal, In-Home Supportive Services, and some developmental services) results in roughly \$6 billion in savings in both scenarios.
- **Remove January Proposals.** Our estimates eliminate all discretionary funding proposals from the January Governor’s budget, which reduces costs by \$3.8 billion.



How Do We Treat Proposition 98 in the Budget Problem Calculation?

Assume Cost-Adjusted 2019-20 Funding for Schools and Community Colleges. To estimate the budget problem under the two scenarios, we assume the state funds schools and community colleges in 2020-21 at the enacted 2019-20 level, adjusted for inflation and attendance. Essentially, this estimate accounts for the “current service level” of K-14 education rather than the constitutional minimum level. (This is similar to the approach we used for other programs in the state budget. As we describe later, funding K-14 education at the constitutional minimum level would result in substantially lower General Fund costs.) From 2018-19 to 2020-21, General Fund spending on K-14 education would be \$2.4 billion lower than the Governor’s January budget level in the U-shaped recession and \$2.3 billion lower in the L-shaped recession. The difference between the two scenarios results from differing assumptions regarding property tax revenue.

Reserves Total Around \$16 Billion... The bottom of Figure 3 and Figure 4 show total reserves available to address the respective budget problems. As the figures show, under the two scenarios, the state would have either \$16.5 billion or \$16.2 billion in total reserves. (The total reserve amounts differ by scenario because the BSA deposit for 2019-20 changes depending on revenue estimates.) The box below describes how these reserve estimates are related to the state’s current cash position.

...But Absent Using Reserves for a Disaster, the State Can Only Access Around \$9 Billion of BSA in 2020-21. Proposition 2 (2014) places restrictions on withdrawals from the BSA. Absent the Governor proposing to use a portion of the BSA to address costs related to the COVID-19 emergency, funds could not be withdrawn in 2019-20. This would mean that, under our revenue estimates, only a portion of the BSA could be withdrawn in 2020-21. Specifically, we estimate about \$9.4 billion would be accessible in the U-shaped recession scenario and \$9.2 billion would be available in the L-shaped scenario. “Appendix 2” describes this estimate and our reasoning in more detail.

Cash Management

A Sizeable Cash Cushion Allows the State to Withstand the Delay in the Tax Filing Date... The state’s sizeable reserve balances have contributed to a strong cash position in recent years. In the coming weeks, this cash position will decline. The State Controller’s Office has estimated that while the state’s cash cushion was around \$40 billion at the end of March, that balance will decline to roughly \$9 billion by the end of the fiscal year. The single largest reason for this decline is the delay of the state’s tax filing date from April to July. Despite this decline, however, the administration does not anticipate that California will require external borrowing to manage cash flows in the current fiscal year.

...But State’s Cash Position Will Change Dramatically in the Coming Months. When normal collections resume, the state’s cash position could improve, but a variety of factors will continue to limit the state’s available cash. This includes: depressed economic activity which will lead to lower revenues, the use of the state’s General Fund and special fund reserves to pay for currently authorized services, and higher costs as the state responds to COVID-19. As such, cash management is likely to become a more prominent feature in legislative deliberations and decision-making in this budget process and future budgets.

Budget Problem Lower Under Alternative Assumptions

Our estimate of the budget problem—\$18 billion to \$31 billion—would be lower if we made alternative assumptions. Those alternative assumptions, which might help guide the Legislature as it begins to consider how to approach the budget problem, are described in this section.

Use Federal Coronavirus Relief Funding to Cover Costs. Congress recently established the Coronavirus Relief Fund (CRF) to provide money to state, local, tribal, and territorial governments for “necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019” that are incurred between March 1 and December 30, 2020. We estimate California’s state government is eligible for \$9.5 billion from the CRF. Recent guidance from the U.S. Department of the Treasury outlines the eligible uses of these funds. We think the state has a good argument to use most—or all—of this total to cover current state costs. However, because there is substantial uncertainty in how the Treasury will implement its guidance, we have not assumed the funding is used in this way.

Eliminate Cost-of-Living Adjustments (COLAs). Our estimates of the budget problem assume the state provides inflation-related cost increases in order to maintain current service levels, although those increases are not necessarily required under current law or policy. For example, we provide COLAs to state employee salaries (after current bargaining agreements expire), universities, and K-14 education. Eliminating all the various COLAs would result in General Fund savings of \$2.1 billion in 2020-21. Most of these savings—\$1.7 billion—would come from eliminating the COLA for K-14 education.

Fund Schools and Community Colleges at Constitutional Minimum Level. Rather than holding funding for schools and community colleges flat over the budget period, the state alternatively could provide the minimum required funding level allowed by Proposition 98 (1988). Funding at the minimum level would reduce the budget problem by \$10.1 billion in the U-shaped recession and \$15.4 billion in the L-shaped recession. Historically, the state has provided the minimum level of funding for schools and community colleges, even when those levels result in year-over-year reductions. This approach, however, would involve extraordinary reductions in overall education funding. The box on page 10 provides an update on the minimum guarantee under our economic scenarios in more detail.

Pull Back Recent Augmentations and Allocations That Are Not Yet Disbursed. Another way to conceptualize the “current service level” is to consider the level of benefits and services being provided by the state *today* (rather than those that will be provided in the future under law). In this case, the state could eliminate funding provided in recent budgets and law that has not yet been disbursed or for which implementation has not begun. For example the state could:

- Return funds to the General Fund for infrastructure and maintenance projects that have not begun construction.
- Revert unspent funds from state departments and other entities, like universities.
- Delay implementation of recently enacted laws.
- Rescind funds for other recent legislative augmentations that have not been distributed to providers, local governments, or other beneficiaries.

Our initial review suggests there could be *up to* \$3.8 billion in recent augmentations that can be reduced without affecting today’s service level. However, we were unable to get verification from the administration on this list. Compiling a more complete list would require more information from the administration, particularly the Department of Finance.

Other Alternative Assumptions. We have identified some other areas of the budget where alternative assumptions about baseline spending are possible, although some of these options would mean reducing today’s level of services. For example, in January, the administration defined \$1.7 billion in recent augmentations that are subject to suspension in 2021-22 as “discretionary” augmentations in 2020-21. Our

Update on the Proposition 98 Guarantee

Proposition 98 Sets Minimum Funding Level. Proposition 98 (1988) established an annual funding requirement for schools and community colleges commonly known as the minimum guarantee. The California Constitution sets forth formulas for calculating the guarantee. These formulas depend upon various inputs, including General Fund revenue, per capita personal income, and student attendance. The state meets the guarantee through a combination of General Fund and local property tax revenue. Although the state can provide more funding than required, in practice it usually funds at or near the guarantee. With a two-thirds vote of each house of the Legislature, the state can suspend the guarantee and provide less funding than the formulas require that year.

Proposition 98 Guarantee Down Significantly Under Both Scenarios. Under our U-shaped scenario, the minimum guarantee is \$13.3 billion lower than the Governor's January estimates over the 2018-19 through 2020-21 budget period. Under the L-shaped scenario, the guarantee is \$18.6 billion lower. In both scenarios, most of the drop is related to 2020-21 and reflects lower General Fund revenues. In each year of the period, the General Fund share of the guarantee drops about 40 cents for every dollar of lower revenue. Slower growth in local property tax revenue also contributes to a lower guarantee in both scenarios. Appendix 3 provides more information on our estimates of the minimum guarantee.

definition of "discretionary spending" would not include these items, however, removing them from baseline spending would reduce the budget problem by this amount. In addition, there are hundreds of millions of dollars in recent federal funding that could probably be used to offset state costs. Finally, the Governor could pause the minimum wage increase scheduled for January 1, 2020. We currently estimate, however, that the net budgetary savings from this action likely would not be significant in 2020-21

Why Is the Administration's Estimate of the Deficit Larger?

The administration published a letter on May 7 indicating they estimate the budget problem for 2020-21 is \$54.3 billion. This estimate is substantially larger than our bottom line figure for the L-shaped recession scenario. While we are still reviewing this estimate and have not yet received full information about it, we have identified a few preliminary reasons for our difference. In particular, the administration's estimate of the budget problem assumes:

- Revenues are slightly lower than our L-shaped recession scenario.
- Caseload-driven costs are higher by billions of dollars.
- All of the Governor's budget discretionary proposals are part of baseline costs.
- The Governor's budget proposed level of spending for Proposition 98 remains roughly unchanged.

They key differences between our estimates is not necessarily the result of substantially differing assessments of the path of the economy or its effects on state programs. Rather, it is a question of how we display the bottom line numbers. In effect, the administration's estimates largely reflect *gross* changes in the budget's bottom line while our estimate includes the *net* effects of current law.

Budget Problems Linger for Multiyear Period

Ongoing Budget Problem of \$20 Billion to \$30 Billion. Under both of our economic scenarios, budget deficits persist until at least 2023-24. This occurs despite the fact that the U-shaped recession assumes the economy begins to recover this summer and the L-shaped recession assumes the economy begins recovering later in 2021. The state would face annual deficits of about \$20 billion in the somewhat optimistic U-shaped recession scenario through 2023-24 (the last year of our projections). In the somewhat pessimistic L-shaped recession scenario, the state would face annual deficits of around \$30 billion and an even larger budget problem in 2021-22 than this year. Over the entire multiyear period, deficits sum to \$64 billion in the U-shaped scenario and \$126 billion in the L-shaped scenario. We show these estimates in “Appendix 3, Figure 4.”

WHAT IS OUR ASSESSMENT AND GUIDANCE?

Addressing the Budget Problem

Significant Budget Problems Likely to Persist in Years to Come. Some might have anticipated the state would face a deep—but short lived—budget problem in response to the COVID-19 public health emergency. Our analysis shows, however, that the state’s fiscal challenges will not go away quickly and likely will extend well beyond the end of the public health crisis. Accordingly, long-term solutions to bring the budget into structural alignment are needed.

Reserves Are Insufficient to Cover the Budget Problem. When the state faces a budget problem, the Legislature must solve it using a combination of tools. The main tool is the state’s reserve. However, existing reserves will not be sufficient to cover the budget problem in 2020-21 and beyond. This means the Legislature will need to reduce spending, increase revenues, and/or shift costs to bring the budget into alignment. Although we focus on alternative expenditure assumptions in this report, we recommend the Legislature use a mix of all four tools in approaching the 2020-21 budget problem.

California’s Reserves Nonetheless Yield Key Advantages. While the state’s reserves are insufficient to address the budget problem, they provide several important benefits. First, reserves will reduce the need for expenditure reductions or revenue increases—every dollar of reserves held today is a dollar in one-time programmatic cuts that can be avoided. Second, reserves allow the state to phase in reductions to expenditures more slowly, reducing their potential impact during the most acute period of the public health and economic crisis. Finally, some budgetary reductions will take time to implement. Reserves serve as an interim solution, buying lawmakers time to implement those longer-term reductions. Unlike past recessions, when the state had virtually no reserves and deep cuts were immediately necessary, the state’s reserves will cushion the coming budget crunch.

Consider Health and Economic Consequences When Evaluating Budget Solutions. In light of the current and future budget problems faced by the state, programmatic reductions will be needed as part of the overall budget solution. The Legislature likely will weigh multiple criteria when determining which solutions to implement. As one of those criteria, while the pandemic is ongoing, we recommend the Legislature consider whether the programmatic reduction under consideration could worsen the public health crisis or compound personal economic challenges facing Californians. Such actions include, for example, significantly reducing access to health care services or eliminating programs like the Earned Income Tax Credit. When possible, mitigating the effects of these types of reductions could help limit the impact of the virus and its negative implications for the state’s economy.

Upcoming Budget Process

Assessment of Budget Problem Reflects Our Best Estimates, Some Additional Information May Be Forthcoming in the May Revision. This report reflects our best estimates of the state's budget situation given limited information and significant uncertainty. Much of this uncertainty surrounds the future path of the pandemic and the economy, which neither our office nor the administration can foresee with certainty. That being said, the May Revision may provide additional information on COVID-19 costs and caseload effects of the deteriorating economic situation. Consequently, the May Revision should provide the Legislature additional information to assess the potential size of the budget problem and the extent to which policy interventions could mitigate that problem.

Start Making Hard Decisions in June Instead of Waiting Until August. The Legislature could pass a budget in June and then revisit these estimates in a subsequent budget package in August. This approach makes sense in light of the continuing evolving public health and economic situations. Regardless, under any scenario, the state will need to make some reductions in ongoing spending and we would strongly caution the Legislature against waiting until August to start making difficult decisions. Delaying action could only increase the size of the ultimate budget problem. Further, there are a number of areas of the budget for which midyear reductions are more difficult to implement. For instance, departments likely could respond to budget reductions more effectively if identified in June rather than in August.

CONCLUSION

After many years of favorable budgetary conditions, the state suddenly is facing a recession and a severely negative budgetary outlook. In this environment, lawmakers will face repeated—at times profoundly—difficult decisions. This will stand in stark and abrupt contrast to the budget surpluses of recent years. While the state and Governor have been appropriately focused on reacting to the current crisis, the upcoming budget process provides the Legislature with an important opportunity to assert its own priorities as the state moves forward on a long-term fiscal plan.

A focus on the longer-term budget situation—both in June and a possible package in August—is of serious import. Although the state faces a daunting budget deficit for the upcoming fiscal year, the multiyear situation is likely to be even worse. The Legislature should begin to craft multiyear actions now that help bring down the state's ongoing budget deficits. Relying only on one-time solutions in this budget cycle will mean significant budget problems reoccur year after year.

APPENDIX 1: HOW DO WE CALCULATE THE BUDGET PROBLEM?

This Appendix describes our calculation of the budget problem in more detail.

Revenues and Other Resources Available Lower by \$26 Billion to \$39 Billion. Under both recession scenarios, our revenue estimates are tens of billions of dollars lower than the Governor’s budget estimates in January. In the U-shaped scenario, revenues and other resources (specifically, the Special Fund for Economic Uncertainties [SFEU]) are lower by \$26 billion from 2018-19 to 2020-21. In the L-shaped scenario, resources are lower by \$39 billion across the same years. These revenue losses account for federal reimbursements from the state and federal disaster declaration (described in the next paragraph) and the estimated SFEU balance in the Governor’s budget.

COVID-19 Response-Related Spending. In a letter to the Joint Legislative Budget Committee in April, the administration estimated that the total costs of coronavirus disease 2019 (COVID-19) response will be \$7 billion in 2020. Our baseline costs assume the state funds all of these costs in 2019-20 and 2020-21. Our revenue estimates assume that the federal government will ultimately reimburse the state for an estimated 75 percent of these costs—for total reimbursements of \$5.25 billion—through 2020-21.

Assume BSA Deposit Is Suspended in 2020-21. As we describe in more detail in “Appendix 2,” under our revenue and economic estimates, the Governor could declare a fiscal emergency in 2020-21, but not 2019-20. The fiscal emergency declaration allows the state to suspend deposits into the Budget Stabilization Account (BSA). As such, we assume the BSA deposit is not suspended for 2019-20, but is suspended for 2020-21. Including the other required adjustments, compared to January estimates, required BSA deposits would be lower by \$2.4 billion in the U-shaped recession and \$2.8 billion in the L-shaped recession.

Assume Cost-Adjusted 2019-20 Funding for Schools and Community Colleges. To estimate the budget problem under the two scenarios, we assume the state funds schools and community colleges in 2020-21 at the enacted 2019-20 level, adjusted for inflation and attendance. Essentially, this estimate accounts for the “current service level” of K-14 education rather than the constitutional minimum level. (This is similar to the approach we used for other programs in the state budget. As we describe later, funding K-14 education at the constitutional minimum level would result in substantially lower General Fund costs.) From 2018-19 to 2020-21, General Fund spending on K-14 education would be \$2.4 billion lower than the Governor’s January budget level in the U-shaped recession and \$2.3 billion lower in the L-shaped recession. The difference between the two scenarios results from differing assumptions regarding property tax revenue.

Account for Higher Federal Funding for Enhanced Federal Medical Assistance Percentage. Medicaid is an entitlement program whose costs generally are shared between the federal government and states. Congress recently approved a temporary 6.2 percentage point increase in the federal government’s share of cost for state Medicaid programs until the end of the national public health emergency declaration. We estimate this change results in General Fund savings of \$4.1 billion for Medi-Cal, \$1.2 billion for In-Home Supportive Services, and \$560 million for some developmental services programs across 2019-20 and 2020-21 in the U-shaped recession scenario and slightly more savings in the L-shaped recession scenario. These estimates are based on our projections of caseload and the cost of services in these programs over the next 14 months, using assumptions based on our two economic and public health scenarios. (Importantly, these assumptions include the national public health emergency lasting beyond the 2020-21 fiscal year in both scenarios.)

Remove All Discretionary Proposals From January Budget. The Governor’s proposed January budget estimated the state would have a moderate surplus for 2020-21. (The “surplus” is defined as non-Proposition 98 General Fund expenditures that are not required under current law or other policies.)

The Governor proposed allocating that surplus to a variety of new spending proposals. (These proposals included, for example, funds for homelessness, expanded healthcare access, and environmental projects.) Under our definition of the baseline budget, these new proposed augmentations are not part of current services. Removing these proposals would reduce costs by \$3.8 billion in 2020-21.

Other Spending Slightly Lower. On net, we estimate that other costs across the budget will be lower by \$225 million in the U-shaped scenario and \$299 million in the L-shaped scenario. The reason other spending is lower in the L-shaped scenario is that the state's constitutionally required spending on debt payments is lower in those revenue assumptions.

APPENDIX 2: USING THE BSA IN 2020-21

The budget has a few general purpose reserve accounts. The largest of these is the Budget Stabilization Account (BSA), which is governed by constitutional rules under Proposition 2 (2014). Here, we describe the rules around how the BSA can be used and how much of the BSA could be accessed to address a budget problem in 2020-21.

Components of the BSA

BSA Has Optional and Mandatory Components. The total BSA in both the U-shaped and L-shaped recession scenarios has a component that is “mandatory” because it was deposited pursuant to the rules under Proposition 2, and a remaining “optional” balance that was deposited in some other way. In particular, these optional amounts include: (1) \$1.6 billion deposited before Proposition 2 was enacted, (2) an optional deposit from the 2016-17 budget that now totals \$1.5 billion after adjustments, and (3) an optional deposit from the 2018-19 budget that is now close to zero (see [Appendix 2, Figure 1](#)).

Appendix 2, Figure 1		
Balance of the Budget Stabilization Account by Scenario		
<i>(In Billions)</i>		
	U-Shaped Scenario	L-Shaped Scenario
Pre-Proposition 2 balance	\$1.6	\$1.6
2016-17 optional deposit	1.5	1.5
2018-19 optional deposit	—	0.1
Optional Balance	\$3.1	\$3.2
Mandatory balance	\$12.5	\$12.1
Total Balance	\$15.6	\$15.3

Is a Fiscal Emergency Available?

Legislature Can Make a BSA Withdrawal Under Two Conditions. The Legislature can suspend a BSA deposit or make a withdrawal from the mandatory share of the BSA if the Governor declares a budget emergency. The Governor may call a budget emergency in two cases: (1) if estimated resources in the current or upcoming fiscal year are insufficient to keep spending at the level of the highest of the prior three budgets, adjusted for inflation and population (a “fiscal budget emergency”) or (2) in response to a natural or man-made disaster.

Fiscal Emergency Available in 2020-21. Under our revenue scenarios, a fiscal emergency is available in 2020-21, but not in 2019-20, as [Appendix 2, Figure 2](#) (see next page) shows. Consequently, the BSA cannot be used to cover shortfalls in 2019-20 under this provision. However, we think the Governor could declare a budget emergency in response to the coronavirus disease 2019 public health emergency in 2019-20.

Appendix 2, Figure 2		
Fiscal Emergency Likely Available in 2020-21, But Not in 2019-20		
<i>(In Millions)</i>		
U-Shaped Scenario	2019-20	2020-21
Highest adjusted budget ^a	\$144,192	\$146,049
Resources available	148,190	136,962
Budget emergency available?	No	Yes
Amount of Emergency		\$9,087
L-Shaped Scenario	2019-20	2020-21
Highest adjusted budget ^a	\$144,192	\$143,294
Resources available	147,020	123,778
Budget emergency available?	No	Yes
Amount of Emergency		\$19,516

^a Reflects the highest of the prior three budgets (2017-18, 2018-19, and 2019-20), adjusted for inflation and population. In both cases, the highest of these is the 2019-20 adjusted budget.

How Much of the BSA Can the Legislature Use in 2020-21?

Good Argument That the Legislature Can Access Optional BSA Balance by Majority Vote. Although not yet tested, we think there is a good argument that the balance of the BSA that was deposited on an “optional” basis is not subject to the withdrawal rules governing the mandatory balance. (Statutory language does indicate that nearly half of the optional total would be subject to rules, but this language can be amended by majority vote.) As such, under this argument, the Legislature could appropriate around \$3 billion from the BSA by majority vote and without a fiscal emergency declaration by the Governor.

State Can Access Half of Mandatory Total. In the case of a fiscal emergency, the Legislature may only withdraw the lesser of: (1) the amount of the budget emergency, or (2) 50 percent of the BSA balance. (The second requirement is waived if the Legislature has accessed the BSA in the immediately preceding fiscal year. It is not clear whether withdrawing the funds for a disaster-related purpose fulfills this requirement.) In both economic scenarios, the amount of the budget emergency exceeds 50 percent of the mandatory balance of the BSA. As such, in 2020-21, there would be around \$6 billion available from half of the BSA’s mandatory balance.

Likely Around \$9 Billion in BSA Available in 2020-21. The total amount available would be \$9.2 billion to \$9.4 billion, depending on the revenue scenario, as shown in **Appendix 2, Figure 3**. This said, there is an argument that if the Governor declared a budget emergency in 2019-20 pursuant to the disaster declaration and the Legislature withdraws funds for that year, the entire remaining balance could be accessed for 2020-21.

Appendix 2, Figure 3		
BSA Balance Available in 2020-21		
<i>(In Billions)</i>		
	U-Shaped Scenario	L-Shaped Scenario
Optional balance	\$3.1	\$3.2
Half of mandatory balance	6.3	6.1
BSA Available	\$9.4	\$9.2

BSA = Budget Stabilization Account.

APPENDIX 3: FIGURES

Appendix 3, Figure 1

LAO Spring Outlook Revenue Estimates

(In Billions)

2018-19	January Budget	LAO Spring Outlook		Change From January	
		U-Shaped Scenario	L-Shaped Scenario	U-Shaped Scenario	L-Shaped Scenario
Personal income tax	\$98.6	\$98.5	\$98.5	-\$0.1	-\$0.1
Sales and use tax	26.1	26.1	26.1	—	—
Corporation tax	14.1	14.1	14.1	—	—
Subtotal, Big Three Revenues	(\$138.8)	(\$138.8)	(\$138.8)	(—)	(—)
BSA transfer	-\$3.2	-\$3.2	-\$3.3	-\$0.1	-\$0.2
Federal cost recovery	—	—	—	—	—
All other revenues	5.0	5.0	5.0	—	—
All other transfers	-1.3	-1.3	-1.3	—	—
Total Revenues and Transfers	\$139.4	\$139.3	\$139.2	-\$0.1	-\$0.2
2019-20	January Budget	LAO Spring Outlook		Change From January	
		U-Shaped Scenario	L-Shaped Scenario	U-Shaped Scenario	L-Shaped Scenario
Personal income tax	\$101.7	\$98.9	\$97.7	-\$42.8	-\$4.0
Sales and use tax	27.2	24.3	24.3	-2.8	-2.9
Corporation tax	15.3	13.1	13.1	-2.2	-2.2
Subtotal, Big Three Revenues	(\$144.2)	(\$136.4)	(\$135.2)	(-\$7.8)	(-\$9.0)
BSA transfer	-\$2.1	-\$1.6	-\$1.2	\$0.4	\$0.9
Federal cost recovery	1.0	2.1	2.1	1.1	1.1
All other revenues	5.2	5.3	5.3	0.1	0.1
All other transfers	-1.9	-1.9	-1.9	—	—
Total Revenues and Transfers	\$146.5	\$140.3	\$139.5	-\$6.2	-\$6.9
2020-21	January Budget	LAO Spring Outlook		Change From January	
		U-Shaped Scenario	L-Shaped Scenario	U-Shaped Scenario	L-Shaped Scenario
Personal income tax	\$102.9	\$89.0	\$81.3	-\$13.9	-\$21.6
Sales and use tax	28.2	23.9	21.3	-4.4	-6.9
Corporation tax	16.0	9.7	7.8	-6.3	-8.2
Subtotal, Big Three Revenues	(\$147.1)	(\$122.6)	(\$110.4)	(-\$24.5)	(-\$36.8)
BSA transfer	-\$2.0	—	—	\$2.0	\$2.0
Federal cost recovery	0.9	\$5.1	\$5.1	4.2	4.2
All other revenues	5.4	5.0	4.9	-0.4	-0.6
All other transfers	0.2	0.2	0.2	—	—
Total Revenues and Transfers	\$151.6	\$132.9	\$120.5	-\$18.8	-\$31.2

BSA = Budget Stabilization Account.

Appendix 3, Figure 2

LAO Spring Outlook Economic Assumptions

Annual Percent Change Unless Otherwise Indicated

	U-Shaped Scenario			
	2019	2020	2021	2022
Personal income	4.8%	-2.9%	0.6%	5.6%
Wages and salaries	5.2	-5.2	-1.0	4.7
Wage and salary employment	1.5	-6.4	-1.6	3.0
Unemployment rate (percent)	4.0	9.4	9.5	7.5
Housing permits (thousands)	111	79	102	115
Median home price	1.6	2.0	-0.7	3.5
California Consumer Price Index	2.9	1.6	2.2	3.4
S&P 500 (level)	2,913	2,624	2,675	3,068

	L-Shaped Scenario			
	2019	2020	2021	2022
Personal income	4.8%	-5.5%	-3.3	3.9%
Wages and salaries	5.2	-8.2	-4.0	2.4
Wage and salary employment	1.5	-9.1	-1.8	2.1
Unemployment rate (percent)	4.0	11.5	11.5	10.1
Housing permits (thousands)	111	64	65	97
Median home price	1.6	-1.2	-5.7	3.3
California Consumer Price Index	2.9	1.3	0.5	2.5
S&P 500 (level)	2,913	2,328	1,880	2,375

Appendix 3, Figure 3

LAO Spring Outlook Agency-Level Expenditure Estimates

	U-Shaped Scenario		L-Shaped Scenario	
	2019-20	2020-21	2019-20	2020-21
Proposition 98^a	\$55,342	\$56,207	\$55,378	\$56,278
Agency Totals^b				
Legislative, Judicial, and Executive	\$6,442	\$3,771	\$6,442	\$3,771
Business, Consumer Services, and Housing	1,049	159	1,049	159
Transportation	96	9	96	9
Natural Resources and Environmental Protection	3,205	2,281	3,205	2,281
Health and Human Services	40,219	42,180	40,243	42,404
Corrections and Rehabilitation	12,813	12,806	12,787	12,800
Education	17,681	15,770	17,681	15,738
Labor and Workforce Development	186	125	186	125
Government Operations and General Government	4,912	6,886	4,912	6,627
Capital Outlay	493	91	493	91
Debt Service ^c	5,168	5,231	5,168	5,231
Total Expenditures	\$147,606	\$145,517	\$147,640	\$145,517

^a Assumes the state funds schools and community colleges at the enacted 2019-20 level, adjusted for inflation and attendance.

^b Excluding Proposition 98, capital outlay, and debt service spending.

^c Includes debt service on general obligation and lease revenue bonds.

Appendix 3, Figure 4

Comparing Estimates of the Minimum Guarantee

(In Millions)

	January Budget	LAO Spring Outlook		Change From January	
		U-Shaped Scenario	L-Shaped Scenario	U-Shaped Scenario	L-Shaped Scenario
2018-19	\$78,448	\$78,508	\$78,508	\$61	\$61
General Fund	54,505	54,493	54,493	-12	-12
Local property tax	23,942	24,015	24,015	73	73
2019-20	\$81,573	\$78,328	\$77,846	-\$3,245	-\$3,727
General Fund	56,405	53,370	52,926	-3,035	-3,479
Local property tax	25,168	24,958	24,921	-210	-248
2020-21	\$84,048	\$73,884	\$69,100	-\$10,164	-\$14,948
General Fund	57,573	48,031	43,318	-9,542	-14,255
Local property tax	26,475	25,853	25,782	-622	-693
Three-Year Totals	\$244,069	\$230,720	\$225,455	-\$13,349	-\$18,614
General Fund	168,484	155,893	150,737	-12,590	-17,747
Local property tax	75,586	74,827	74,718	-759	-868

Appendix 3, Figure 5

Comparing Costs of Existing K-14 Programs With the Proposition 98 Guarantee

(In Millions)

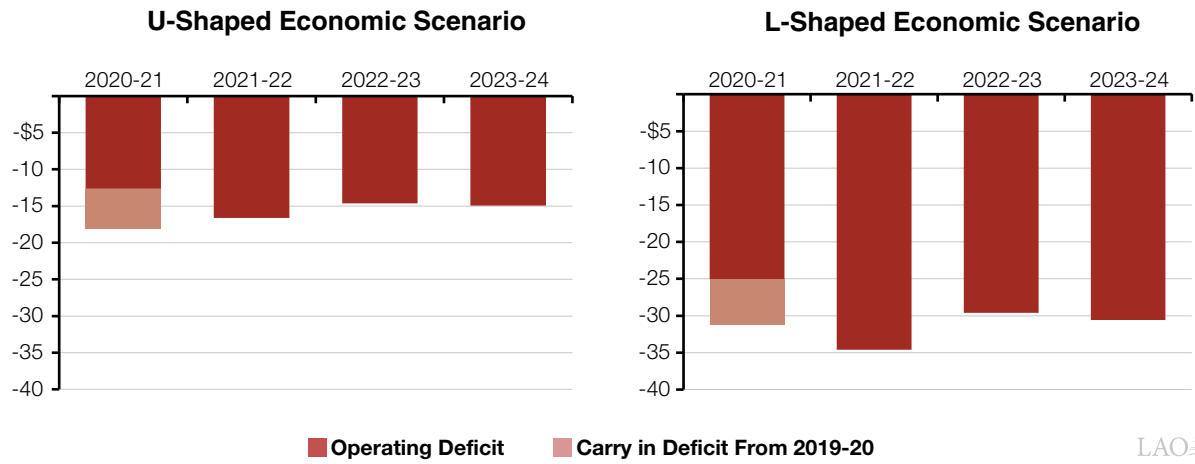
	2018-19	2019-20	2020-21	Three-Year Totals
Costs of existing programs ^a	\$78,508	\$80,300	\$82,060	\$240,868
U-Shaped Scenario				
Minimum guarantee	\$78,508	\$78,328	\$73,884	\$230,720
Difference from existing program costs	—	1,972	8,176	10,148
L-Shaped Scenario				
Minimum guarantee	\$78,508	\$77,846	\$69,100	\$225,455
Difference from existing program costs	—	2,454	12,960	15,413

^a Reflects cost of maintaining programs funded in the 2019-20 budget plan, adjusted for changes in attendance, and the statutory cost-of-living adjustment (2.31 percent in 2020-21).

Appendix 3, Figure 6

Multiyear Budget Deficits Persist Under Both Economic Scenarios

(In Billions)



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COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: MAY 1, 2020

COVID-19 Decimates State Revenues, Education Funding



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posted May 7, 2020

In a letter issued by the Department of Finance (DOF) this morning in advance of Governor Gavin Newsom's May Revision release scheduled for next Thursday, May 14, the economic impact of COVID-19 is dramatically greater than the impact of the financial crisis of 2008.

Governor Newsom's financial advisors are now estimating that state revenue losses from the health pandemic that shut down the state, national, and global economies amount to \$41.2 billion. For comparison, when the financial crisis hit in December 2008, early state revenue losses were estimated at \$28 billion. The COVID-19 impact on personal income tax alone—that accounts for two-thirds of the funding the state uses to finance all programs—is estimated to be three times greater than during the Great Recession.

The DOF estimates state revenue losses of \$9.7 billion in the current year and an additional \$32.2 billion in the coming budget year. These losses are compounded by growing caseloads in state social services programs that bring the total shortfall to \$54 billion going into fiscal year 2020–21.

Impact on Proposition 98 and Education Funding

A \$41 billion reduction in state revenues from the Governor's January estimates correspond to an \$18.3 billion reduction in Proposition 98 for the 2019–20 and 2020–21 fiscal years. Recall that Governor Newsom estimated the 2020–21 Proposition 98 minimum guarantee would be \$84 billion, up from an estimated \$81.6 billion in the current year. Although the DOF did not provide a fiscal year breakdown of the total reduction in Proposition 98, our best estimate is that the current-year guarantee is reduced by approximately \$3.7 billion while the 2020–21 guarantee would be reduced by \$14.6 billion. This means that based on the Governor's January estimates, the current-year and budget-year minimum guarantees are \$77.9 billion and \$69.4 billion, respectively.

Across both fiscal years, the new estimated loss in education funding is equivalent to a -22.0% cost-of-living adjustment. While it is unknown how a cut would be applied, on a per full-time equivalent student (FTES) basis, the average reduction is approximately \$1,800 per FTES for the system. This reflects total revenues to community colleges from Proposition 98, which includes the Student Centered Funding Formula and all other state revenues.

The state's rainy day fund, while at its highest level ever, would provide only a modicum of relief. The fund's balance is approximately \$18 billion, with less than \$500 million specifically reserved for K–14 education. Under current law, only half of the balance can be drawn down in any given year. Given that the state's reserves are inadequate to offset the total revenue loss, including the loss in education funding, we anticipate that the state will impose *budget deferrals* for the 2019–20 fiscal year. Unlike cash deferrals, budget deferrals allow the state to put cash in the hands of local educational agencies (LEAs) while accounting for those payments in the next fiscal year. It is both too early to tell and too magnitudinous to know how the state intends to manage the 2020–21 Proposition 98 reduction.

May Revision and Beyond

Given the magnitude of the economic crisis, we expect that the May Revision will offer a suite of measures to help LEAs mitigate the devastating impact; although it is difficult to fathom that any or all of them would be sufficient to protect students and staff from the wrath of revenue cuts if they are not accompanied by offsetting federal or state aid.

While we at School Services of California Inc. are having a difficult time wrapping our

minds around this recent news, we remain committed to serving each of you by helping you operationalize these data for your respective agencies and providing the latest and most accurate information coming from the state. We also know that everyone is wondering how long this current recession will last, and how quickly we can expect the state to recover from it. Once the Governor's May Revision is released, we intend to address this and more in our *Community College Update*. We are both humbled and honored to be with and serve each of you during this time.

U-Shaped Projection		
	2019-20	2020-21
Prop 98 Revenue Shortfall ^[1]	3,700,000,000	9,600,000,000
Less Rainy Day Fund ^[2]	250,000,000	250,000,000
Possible Prop 98 Revenue Decline	3,450,000,000	9,350,000,000
Community College System Share @10.93%	377,085,000	1,049,280,000
LACCD share @ 8.6%	32,429,310	90,238,080
Revenue @ Final Budget	696,009,213	714,968,752
% of revenue decrease ^[3]	4.7%	12.6%

L-Shaped Projection		
	2019-20	2020-21
Prop 98 Revenue Shortfall ^[1]	3,700,000,000	14,600,000,000
Less Rainy Day Fund ^[2]	250,000,000	250,000,000
Possible Prop 98 Revenue Decline	3,450,000,000	14,350,000,000
Community College System Share @10.93%	377,085,000	1,595,780,000
LACCD share @ 8.6%	32,429,310	137,237,080
Revenue @ Final Budget	696,009,213	714,968,752
% of revenue decrease ^[3]	4.7%	19.2%

^[1] source:School Services memo of 05/07/20; LAO Spring fiscal outlook report 05/08/220

^[2] assumes equal distribution in 2019-20 & 2020-21

^[3] assumes all reductions are applied to SCFF

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
GENERAL FUND UNRESTRICTED
3-YEAR Financial Forecast - Summary**

Scenario 1:		<i>Hold Harmless</i>			
		2018-19 Actual	2019-20 Projected	2020-21 Projected	2021-22 Projected
<ul style="list-style-type: none"> Assumes flat enrollment & metrics 98,000 FTES through 2023-24 NO Salary Increase or HRA 2019-20 deficit of \$23m no deficits 2020-21 and beyond includes COLA 	TOTAL RESOURCES	\$ 700,687,599	\$ 676,119,632	\$ 714,968,752	\$ 740,493,317
	TOTAL EXPENDITURES	\$ 676,842,072	\$ 730,297,203	\$ 720,736,155	\$ 735,710,054
	NET REVENUES LESS EXPENDITURES	\$ 23,845,527	\$ (54,177,571)	\$ (5,767,403)	\$ 4,783,263
	FUND BALANCE				
	Beginning Fund Balance (includes PY adj)	\$ 124,151,940	\$ 156,208,542	\$ 102,030,971	\$ 96,263,568
	Net Revenues Less Expenditures	23,845,527	(54,177,571)	(5,767,403)	4,783,263
	Ending Fund Balance	147,997,467	102,030,971	96,263,568	101,046,832
	<i>Fund Balance % of Expenditure Budget</i>	<i>21.9%</i>	<i>14.0%</i>	<i>13.4%</i>	<i>13.7%</i>
	<i>COLA</i>	<i>2.71%</i>	<i>3.26%</i>	<i>2.31%</i>	<i>2.71%</i>
	Scenario 2: U-Shaped		<i>Hold Harmless</i>		
		2018-19 Actual	2019-20 Projected	2020-21 Projected	2021-22 Projected
<ul style="list-style-type: none"> Assumes flat enrollment & metrics 98,000 FTES through 2023-24 NO Salary Increase or HRA 2019-20 deficit of \$32.4m 2020-21 deficit of \$90.3m includes COLA 	TOTAL RESOURCES	\$ 700,687,599	\$ 667,398,600	\$ 624,730,672	\$ 740,493,317
	TOTAL EXPENDITURES	\$ 676,842,072	\$ 730,297,203	\$ 720,736,155	\$ 735,710,054
	NET REVENUES LESS EXPENDITURES	\$ 23,845,527	\$ (62,898,603)	\$ (96,005,483)	\$ 4,783,263
	FUND BALANCE				
	Beginning Fund Balance (includes PY adj)	\$ 124,151,940	\$ 156,208,542	\$ 93,309,939	\$ (2,695,544)
	Net Revenues Less Expenditures	23,845,527	(62,898,603)	(96,005,483)	4,783,263
	Ending Fund Balance	147,997,467	93,309,939	(2,695,544)	2,087,720
	<i>Fund Balance % of Expenditure Budget</i>	<i>21.9%</i>	<i>12.8%</i>	<i>-0.4%</i>	<i>0.3%</i>
	<i>COLA</i>	<i>2.71%</i>	<i>3.26%</i>	<i>2.31%</i>	<i>2.71%</i>
	Scenario 3: L-Shaped		<i>Hold Harmless</i>		
		2018-19 Actual	2019-20 Projected	2020-21 Projected	2021-22 Projected
<ul style="list-style-type: none"> Assumes flat enrollment & metrics 98,000 FTES through 2023-24 NO Salary Increase or HRA 2019-20 deficit of \$32.4m 2020-21 deficit of \$137.2m 	TOTAL RESOURCES	\$ 700,687,599	\$ 667,398,600	\$ 577,731,672	\$ 740,493,317
	TOTAL EXPENDITURES	\$ 676,842,072	\$ 730,297,203	\$ 720,736,155	\$ 735,710,054
	NET REVENUES LESS EXPENDITURES	\$ 23,845,527	\$ (62,898,603)	\$ (143,004,483)	\$ 4,783,263
	FUND BALANCE				
	Beginning Fund Balance (includes PY adj)	\$ 124,151,940	\$ 156,208,542	\$ 93,309,939	\$ (49,694,544)
	Net Revenues Less Expenditures	23,845,527	(62,898,603)	(143,004,483)	4,783,263
	Ending Fund Balance	147,997,467	93,309,939	(49,694,544)	(44,911,280)
	<i>Fund Balance % of Expenditure Budget</i>	<i>21.9%</i>	<i>12.8%</i>	<i>-6.9%</i>	<i>-6.1%</i>
	<i>COLA</i>	<i>2.71%</i>	<i>3.26%</i>	<i>2.31%</i>	<i>2.71%</i>
		33 of 82			

LACCD Budget Update and Motion

December 2019

John McDowell

Motion Urging the District to Terminate “College Debt Repayment”

The Faculty Guild urges LACCD to terminate the failed and harmful policy and practice of college debt repayments and replace it with a practice that would help colleges rather than harm them.

The many reasons for this policy change are overwhelmingly persuasive including:

- 1) *Debt repayments harm students and colleges, not the people responsible for the debts;*
- 2) *The primary reason for college debts is underfunding. The CCC system is chronically underfunded, made worse in LACCD by the district’s growing reserves and huge ending balances (20% last year). If the district limited ending balances to a maximum of 10% there would be no college deficits;*
- 3) *It’s a new budget funding game with new rules. Like it or not, in the new funding formula (SCFF) we are competing with 71 other districts for funding. LACCD’s success depends on the performance of all nine of our colleges, but debt payments are hobbling several of our colleges. Think of a 9 member baseball team. No manager would hobble 3 or 4 of their players going to a new season, especially with new rules in place, so why would we;*
- 4) *The rationale expressed for this ineffective and outworn practice is that requiring paying back past debt will prevent future college debts. Obviously, that has proven not true. It exacerbates a college’s fiscal problem instead of solving it;*
- 5) *Debt repayments often contribute to further deficits in following years. It harms colleges by making their financial troubles worse, locking them in a vicious cycle hard to escape;*
- 6) *Debt repayments demoralize and discourage college administrators, faculty and staff, and does not, as intended, result in more carefully, well planned and disciplined spending;*
- 7) *In recent years the total sum of annual debt repayments from colleges have been put into ballooning reserves and ending balances. It does no good, just damages our colleges.*

Note: Our small colleges, particularly Southwest and Harbor, have consistently struggled trying to live within their budgets. However, over the last 20 years all of our 9 colleges have at one time or another ended years in a deficit. Even East, after building up ending balances for decades, in recent years has over spent its budget needing to spend down the past positive ending balances.

Motion approved at Jan 29, 2020 DBC Meeting:

DBC urges the District to terminate College Debt Repayment and directs ECDBC by June 30, 2020 to develop a written policy providing fiscal guidelines and steps to ensure college are accountable for their budgets.

To ensure sound fiscal management and provide a process to monitor and evaluate the financial health of colleges within the District, the overall assessments of a college's financial condition will include, but not be limited to, the following operating standards:

1. College's budget shall be balanced in terms of funds available for appropriation throughout the fiscal year. Should funds available be reduced, corresponding expenditures are expected to also be reduced.
2. College shall be expected to develop its long-term enrollment plan to meet its education mission, and maintain enrollment data on all disciplines and instructional programs. The enrollment data shall include, but not be limited to, FTES, student headcount, teaching faculty productivity by discipline area, average class size, class sections offered, and cost per FTES.
3. College shall be expected to maintain position/assignment control on all personnel assignments, both academic and classified, to ensure that costs do not exceed budget.
4. College shall develop its annual college financial plan and provide to the Chancellor timely college budget and expenditure reports and/or fiscal analyses to assist in monitoring the financial health of the college.
5. At a minimum, the college shall provide to the Chancellor quarterly status reports on expenditures and on the college's overall fiscal status.
6. College will develop an annual Student Centered Action Plan (SCAP) which includes goals towards meeting SCFF metrics, these goals will be evaluated quarterly. For those colleges at risk of not meeting their goals, a technical assistance team (composed of district finance staff, Vice Chancellor of Institutional Effectiveness, College President, Vice President of Administration, Vice President of Academic Affairs, Vice President of Student Services, Faculty and Classified Representatives), will meet in Fall and Spring to assist the college build capacity and identify strategies to meet or surpass the metrics.
7. Each College President and the Deputy Chancellor shall be responsible to the Chancellor for the management of the college's and Educational Service Center's total budget. Budget management includes maintaining a balanced budget, as well as the efficient and effective utilization of financial resources.
8. The District shall maintain a District General Reserve of six and a half percent (6.5%), a Contingency Reserve of three and a half (3.5%) and set aside an amount of two (2.0%) for future scheduled maintenance requirements. In addition, the College is required to set aside 1% of its revenue as a college reserve.
9. If a college's expenditures or projected expenditures exceed its revenue, college shall be required to submit a self-assessment and review to the Chancellor, and to develop a written action plan to satisfactorily address the identified fiscal concerns.
10. ~~If the college ends the year in a deficit greater than 1% of its budget or \$500,000, whichever is greater, it is required to:~~

- ~~a. Perform self-assessment and review through the established participatory governance process at the college.~~
- ~~b. Submit to the Executive Committee of the District Budget Committee a financial plan that addresses the college's financial health concerns consistent with the measurement criteria as indicated below.~~
- ~~c. Participate in a quarterly review as requested by the Executive Committee of the District Budget Committee on the college's fiscal condition.~~

~~11. If a college has experienced three consecutive years of deficits, the college shall be required to submit a detailed recovery plan, developed through the established participatory governance process at the college for achieving fiscal stability. The Chancellor shall evaluate the college's recovery plan and may recommend to the Board of Trustees that a special emergency response team be appointed to monitor and regulate the enrollment management and fiscal affairs of the college.~~

12. Any college ending the year with a deficit will be required to develop an action plan, developed through the established participatory governance process, as follows:

- a. Less than .5%; required to submit an action plan to the ECDBC and the DBC for approval.
- b. Between .5% to 2%; required to submit an action plan to a Financial Intervention Team (FIT*) which will visit the college and discuss options with college leaders. After meeting with the FIT, the college will present a final plan for approval by the ECDBC and DBC
- c. Over 2%; required to submit an action plan to a Financial Intervention Team (FIT) which will visit the college, discuss options with college leaders and make recommendations to that plan. The Chancellor will ensure the college implements the FIT plan. Alternatively, with approval of the Chancellor, the college may implement other structural changes that achieve the same fiscal results as the FIT recommendations.

* FIT team consists of one representative each of: CFO, College President, College Vice President, Staff Guild, Academic Senate and Faculty Guild.

13. The Chancellor shall review the college's fiscal affairs and enrollment management practices as part of the College President's annual performance evaluation. The Chancellor must report to the Board of Trustees any significant deficiencies and take any corrective measures to resolve the deficiencies up to and including the possible reassignment or non-renewal of the college president's contract.

District Financial Accountability Measurement Criteria

1. Deficit Spending

- a. Is the college deficit spending more than 1% of its revenue budget over multiple years?
- b. Is the deficit spending addressed by ending balance, college reserve, or built-in growth revenue?
- c. College's Overall Instructional Measures:
 - i. Is teaching faculty productivity (FTES/FTEF) greater than or equal to 510?
 - ii. Is average class size greater than or equal to 34?
 - iii. Are costs per FTES by instruction, instructional services, student services, maintenance and operations, and other non-instructional support services greater than or equal to average costs among small or large colleges within the district and statewide average?
 - iv. Are administrative costs per FTES greater than or equal to average costs among small or large colleges within the district and statewide average?
- d. Full Time Faculty Hiring Obligation
 - i. What is the college's full-time and part-time ratio and obligation (excluding faculty over- base)?
- e. College Expenditures and Staffing Trends over the last five years
 - i. Is percentage of budget allocated to salaries and benefits at or less than district-wide average?
 - ii. Is the college using one-time funds to pay for permanent staff or other ongoing expenses?
 - iii. Is faculty, administration, and classified staffing level comparable with other colleges within the District?
 - iv. How do expenditures by activity (instructional, instructional services, student services, and non-instructional activities) compare to other colleges in the district?
 - v. How do the release and reassigned FTEF and expenditures such as release times for bargaining unit and department chair non-instructional activities compare to other colleges in the district?
 - vi. How do utilities and other non-salary operating expenditures by activity compare to other colleges in the district?
- f. Enrollment Management
 - i. Does a college have a multi-year plan for enrollment growth and class sections offered? Does a college's plan address changes in the class offerings and the maintenance of instructional productivity (FTES/FTEF)? Has the enrollment been stable over the last five years?
 - ii. Are academic and classified staffing adjustments consistent with the enrollment decline?
 - iii. Does the college continuously analyze its enrollment trends and class offerings?
- g. College's Overall Educational Program Evaluation
 - i. Is a college's enrollment and fiscal plan consistent with its overall educational program mission?

2. Information to be Used to Perform the Assessment

- a. College's Self- Assessment and Review Apportionment Attendance Report Enrollment Projection
- b. Instructional Measures (FTES/FTEF) Average Class Size

- c. FTES and Expenditures ranking
 - d. College Quarterly Financial Status Report Monthly Projection and College Financial Plan Unrestricted General Fund by Activity
 - e. College Expenditure Trends over last five years Full Time Faculty Hiring Obligation
 - f. Release Times and Reassigned Times
 - g. Other Available Information (Enrollment data, Fiscal Data, Staffing Plan, etc...)
3. Other Suggested Criteria:
- a. FTES per FTEF by discipline
 - b. Percentage of Weekly Faculty Contact Hours (WFCH) taught by full-time and part-time faculty Cost per FTES for each program and compared with other colleges and districts Adequate/Proper Reserve Level or Ending Balance
 - c. Cost reduction measures to preserve revenues and mitigate further potential deficits
 - d. Metrics used for the Student Centered Action Plan (SCAP)
4. Other Items for Discussion
- a. Deficit repayment schedule
 - b. Emergency loans for financial relief
 - c. Required actions to curtail and manage spending if certain conditions exist



Los Angeles Community College District

District Budget Committee

May 2020

Carmen V. Lidz

Vice Chancellor and Chief Information Officer

Office of Information Technology - Mission Statement



The mission of the Office of Information Technology (OIT) is to provide district-wide information technology services which support our educational community and foster the success of our students.



Goals of Shared Services Model

- Focus on District-wide implementation of technology that will result in better services at less cost through streamlined processes and the sharing of IT resources;
- Enable Colleges to focus on their core business and free resources to develop student-facing policies, programs, and services;
- Reduce cost and improve services through the development of a student-centered, outcome-oriented, accountable, and efficient service delivery system.



Conclusions from review of Huron Assessment

People:

- Roles and responsibilities within IT need to be changed to provide effective support with appropriate skill levels and competencies;
- To effectively deliver a shared service delivery model, additional investment is required in the Project Management and Service Support roles;

Governance:

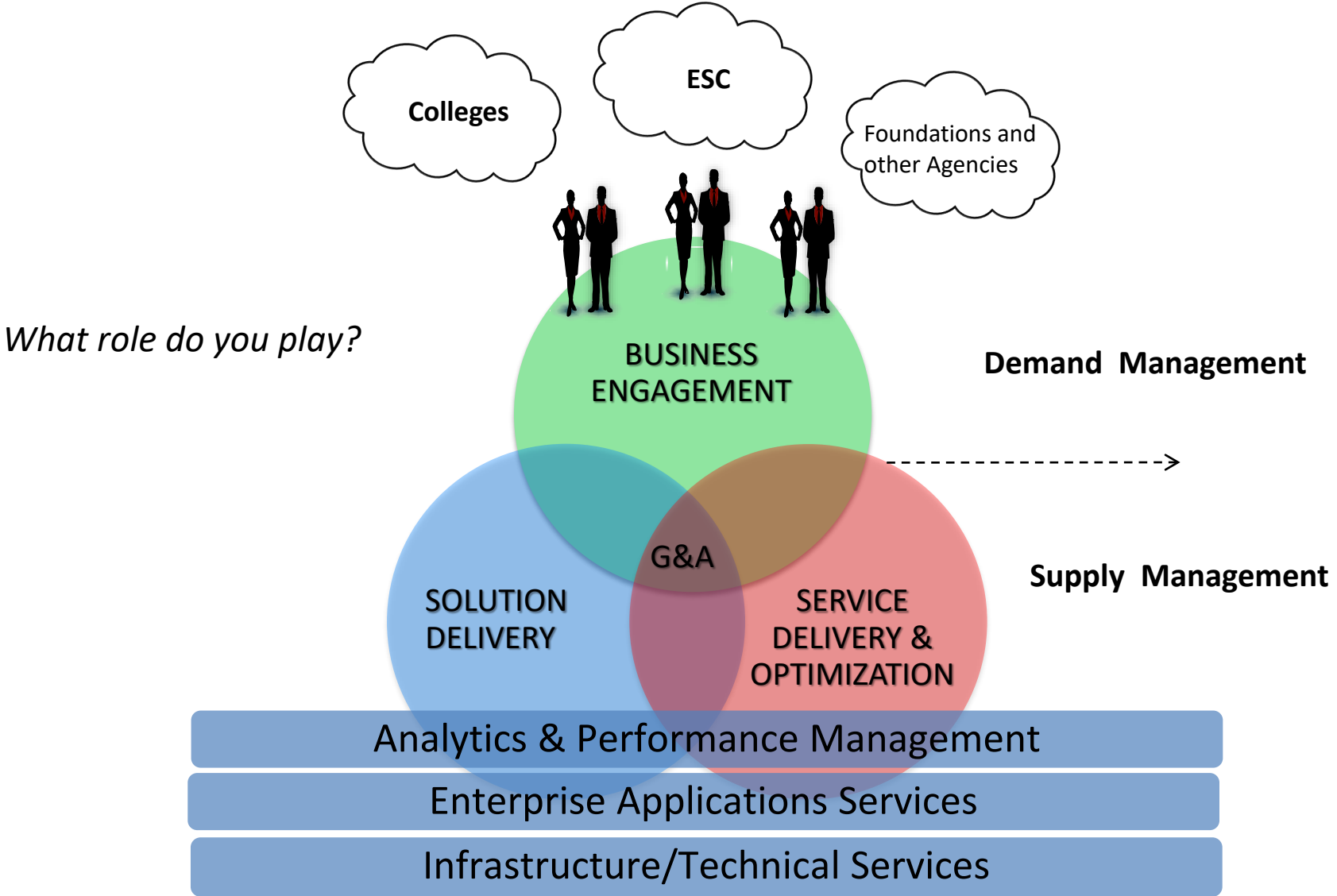
- Immaturity of institutionalized standards, processes, and procedures is a strain on the organization;
- Communication of key strategic initiatives across leadership should occur on a regular basis;

Funding:

- Further analysis of initiatives must be conducted to compose Total Cost of Ownership;
- Information Technology is significantly underfunded across the District
- Shared Services will not solve all issues: the challenges of the staffing resources and budget constraints will remain.

Shared Service Organizing Model

How Teams are Organized



Recommendation

Near Term Initiative



Key Findings



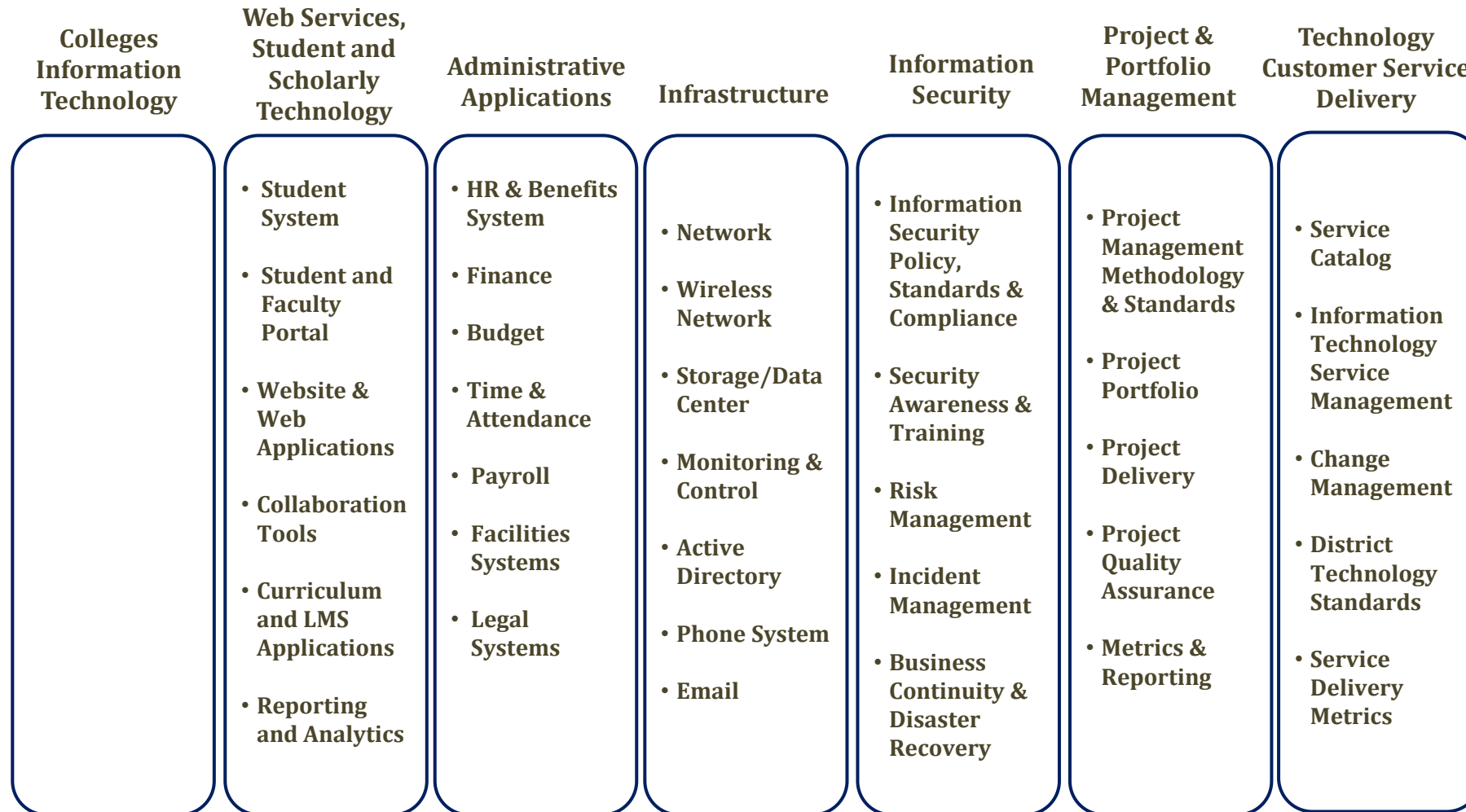
- Current operating model is a hybrid of process centers of excellence and functionally aligned teams
- Additional value from an IT Shared Services operating model is possible with changes in roles, accountabilities, mindset, and process discipline
- The SSDM represents a tremendous opportunity for IT staff to redefine their focus on specific aspects of the organization – and most especially on the business impact of their work

Recommendation

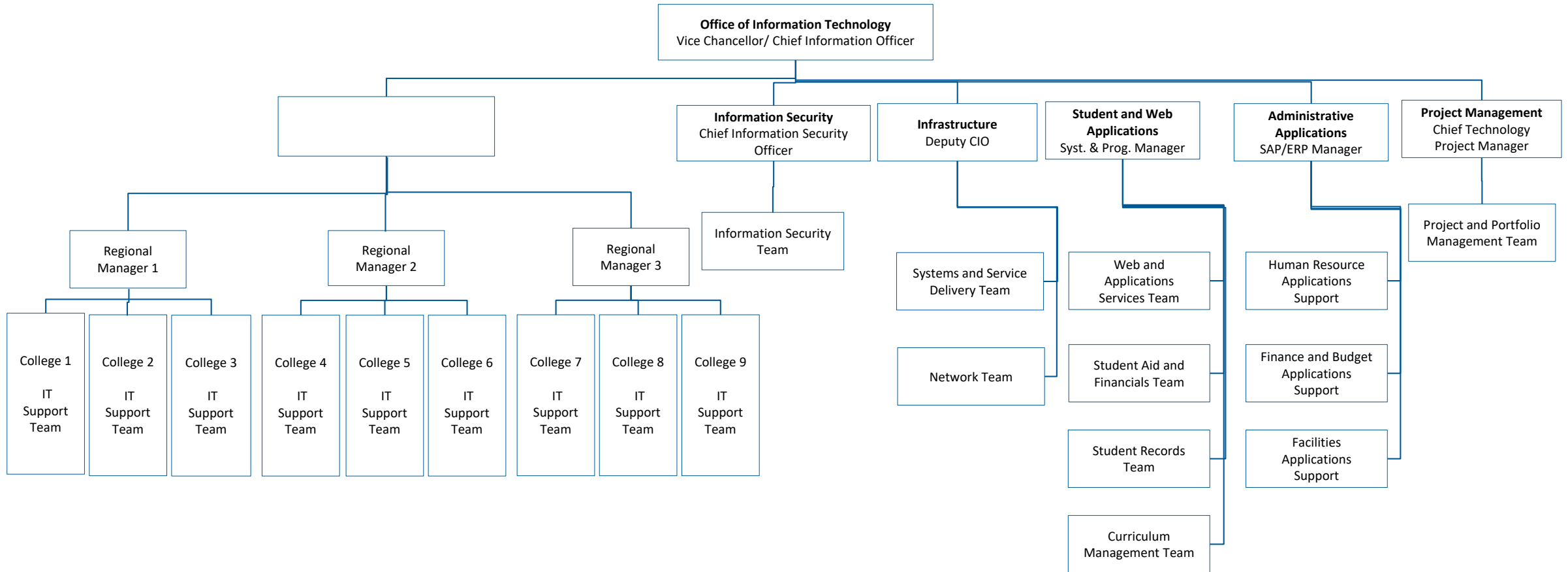
Align IT roles and responsibilities with the SSDM



Functional Organizational Chart



LACCD Office of Information Technology Organizational Chart

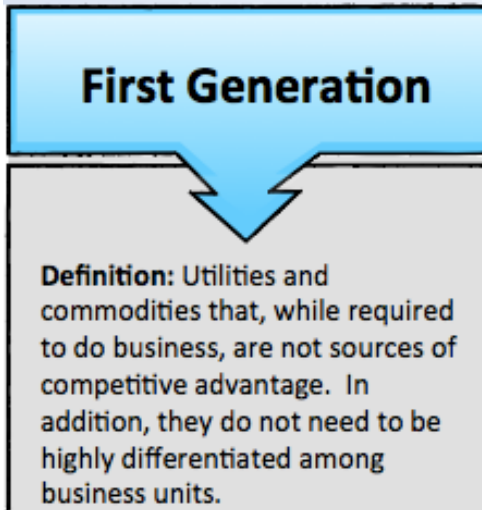


Recommendation

Near Term Initiative



Key Findings



- Multi disjointed support systems utilized across the city department
- Inconsistent process discipline around leveraging the service desk data to drive continuous improvement
- Level 1 application support provided by college resources with minimal visibility into incidents
- IT has an inflight initiative to modernize the Enterprise Service Desk and data centers

Delivering commodity IT services with excellence is critical to build momentum for more strategic IT/Business Shared Services.

Recommendation

Build credibility by delivering commodity IT services with excellence

“First Generation” services must include service level objectives, performance metrics, cost transparency, and integration across suppliers.



Technology Customer Service Delivery

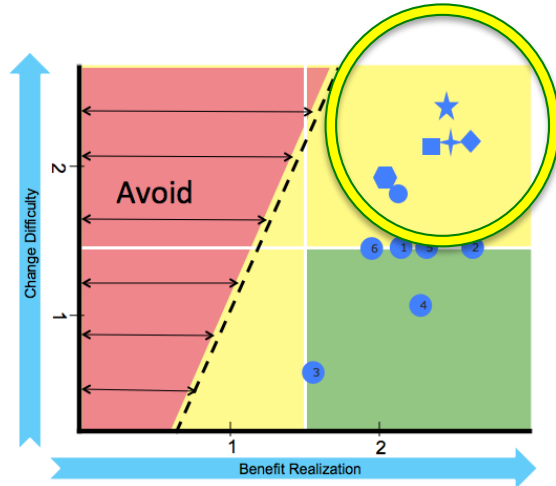
- Introduce and implement common IT Service Delivery Process:
ITIL/CMMI based
- Develop Service Catalog
- Establish Clear standard SLAs and change management for services
- Metrics and Dashboards – Establish formal methods to track and review performance KPIs
- Implement Common Ticketing System

Recommendation

Long Term Initiative



Key Findings



- The district has multiple business systems running unsupported vendor software
- College interviews (Huron findings) suggest significant savings opportunities by modernizing these platforms
- College interviews suggest support for leveraging business process re-engineering (BPR) to simplify, standardize, and automate common processes across district

- Manage and measure the business outcomes (cost savings, employee productivity, etc.)
- Celebrate and market wins
- Drive shared service adoption

Recommendation

Continue with planned modernization

The asset renewals and modernization will reduce risk – while unlocking the most significant opportunity for improved services and reduced costs



Colleges Information Technology

- IT Asset Inventory and Refresh Cycle
 - Complete IT Asset Inventory and Aging Reports
 - Develop Technology Refresh Plan per aging and utilization *analysis*
 - Commence IT Renewal with student centric first approach
- Classroom/Instructional Space Update with District-wide AV Standards
 - Implement standard solutions to manage classroom/instructional space equipment
- District-Wide Copier/Printer Management Solution
 - Improve student access to campus computers and printing services
 - Implement secure print with PaperCut
- Address end of life systems
 - Replace old computer equipment or upgrade to new Windows OS
- Ensure all technology services, software and hardware are under support

Recommendation

Long Term Initiative

Architect
Future
Delivery Model



Key Findings



- LACCD operates multiple IT Departments that deliver redundant support to different Colleges
- Leveraging SSDM to deliver first-generation IT services across all departments and agencies represents the most significant IT saving opportunity available to the district
- Examples include an enterprise service desk, data center, network, storage, cloud computing, etc.

Recommendation

Extend Commodity IT services to all Colleges

IT's data center consolidation and modernization should design all "first generation" Shared Services assuming that all will ultimately migrate to these enterprise environments.



Infrastructure

- Data Center Consolidation
 - Primary Data Center at LAVC
 - Secondary Data Center at ELAC
- Network Redesign
 - Redundant DWDM fiber optic rings interconnecting all campuses to LAVC and ELAC data centers. 2x100Gbps Internet connectivity at ELAC and LAVC
 - 2 MPOEs at each College
- Wi-Fi Improvements
 - Deploy additional WAPs to improve access in areas that lack coverage
 - Add redundancy and failover for authentication
- Voice Communication Modernization – VoIP centers of control at 2 data centers (ELAC/LAVC)
- Single Identity Management Strategy – simplify authentication; consolidate active directories and improve security controls

Recommendation

Long Term Initiative



Key Findings



- Asset renewals and modernization investments will continue to be a priority due to resource constraints
- Potential saving opportunities include
 - Economies of scales (contracts, facilities, volume discounts, talent)
 - Elimination of redundancies (contracts, software, assets, facilities)
 - Standardization of transactional processes across district (employee productivity)

Recommendation

Pursue forward-looking saving opportunities in IT operational costs and reinvest in modernization and innovation



Administrative Applications

- Application Rationalization
 - Consolidate and Remove outdated systems
- Supplier Relationship Management
- Consolidate contracts across the District and remove administrative overhead (rather than managing 10 agreements – we manage one contract; one set of invoices, etc.) and volume procurement power
 - Microsoft Agreement
 - Blackboard
 - Adobe
 - Turnitin

Questions





LOS ANGELES COMMUNITY COLLEGE DISTRICT

2019-20 Third Quarter 311Q Report

District Budget Committee May 13, 2020

Projected Ending Balance

Projected Revenue	\$676.1 million
Projected Expenditures	<u>\$730.2 million</u>
Projected Revenue vs Expenditures	\$(54.1) million
Balances Carried Forward for 2018-19	\$147.9 million
Adjustment to Beg Bal	\$ 8.2 million
Projected Ending Balance	\$102.0 million
Percent of Projected Expenditures	14.0%

Ending Balance Detail

Balance Set Aside	
Open Orders	8,000,000
College Ending Balance	-
ESC/IT Ending Balance	-
Districtwide Ending Balance	7,898,460
STRS/PERS	25,830,000
Restricted Program deficits	1,000,000
Total Balance Set Aside	42,728,460
<hr/>	
Reserves	
General Reserve	45,240,599
Contingency Reserve	14,061,912
Total Reserves	59,302,511
Total Ending Balance	102,030,971

LOS ANGELES COMMUNITY COLLEGE DISTRICT 2020-2021 TENTATIVE BUDGET ALLOCATION MECHANISM

In 2019-20, the Board approved a new District Allocation Model that better aligns with the new Student Centered Funding Formula. This formula has been utilized for the Tentative Budget Allocation; changes in allocation between Preliminary and Tentative have occurred.

Funding Principles

- Aligns with the State’s Student Centered Funding Formula (SCFF) in support of student access, equity and success.
- Allocation Model should be easily understood, fair and predictable.
- Recognizes there are core services and unique characteristics associated with a College regardless of size.
- Recognizes that there are Districtwide costs and Educational Service Center operations that must be funded.
- Balances will be retained by Colleges and Educational Service Center locations.

I. Parameters used to determine State Apportionment Revenue

1. Base Allocation

The Base Allocation is the enrollment-based component of the State Student Centered Funding Formula (SCFF) and is the sum of the Basic Allocation funding (which is based on the number of colleges and centers in a district and its size) and the funding for enrollment in credit (utilizing a three-year average), noncredit, and career development and college preparation (CDCP) noncredit courses, as well as enrollment of special admit students and inmates in correctional facilities.

For fiscal year 2020-21, the basic allocation base rate is estimated to be:

- | | | |
|---------------------------|-------------|----------------|
| • FTES >= 20,000 | \$5,394,006 | large college |
| • 10,000 <= FTES < 20,000 | \$4,719,754 | medium college |
| • FTES < 10,000 | \$4,045,502 | small college |

For fiscal year 2020-21, the FTES allocation rates are estimated to be:

- Credit \$4,014
- Special Admit Credit \$5,622
- Incarcerated Credit \$5,622
- Non-Credit \$3,381
- Non-Credit Enhanced (CDCP) \$5,622

2. Supplemental Allocation

The Supplemental Allocation of the SCFF recognizes that districts must provide additional support to remove barriers to access and success for certain groups of students. It is determined based on the number of low-income students in a district.

For fiscal year 2020-21, the Supplemental Allocation rates are estimated to be:

- Pell Grant Recipients \$949
- College Promise Grant Recipients \$949
- AB 540 students \$949

3. Student Success Allocation

The Student Success Allocation encourages progress on outcomes linked to the goals included in the State Chancellors Office *Vision for Success*. This allocation assigns funding rates for eight outcomes with additional funding for outcomes attained by students who received Pell Grants and College Promise Grants (Equity).

For fiscal year 2020-21, the Student Success Allocation rates are estimated to be:

- Associate degree for transfer (ADT) \$2,236
- Associate degree granted \$1,677
- Baccalaureate degree granted \$1,677
- Credit certificate granted \$1,118
- Transfer-level Math or English course \$1,118
- Transfer to four-year university \$839

- Completion of nine or more CTE units \$559
- Attainment of regional living wage \$559

For fiscal year 2020-21, the Equity Allocation rates for Pell Students are estimated to be:

- Associate degree for transfer (ADT) \$846
- Associate degree granted \$634
- Baccalaureate degree granted \$634
- Credit certificate granted \$423
- Transfer-level Math or English course \$423
- Transfer to four-year university \$317
- Completion of nine or more CTE units \$211

For fiscal year 2020-21, the Equity Allocation rates for CA Promise Grant Students are estimated to be:

- Associate degree for transfer (ADT) \$564
- Associate degree granted \$423
- Baccalaureate degree granted \$423
- Credit certificate granted \$282
- Transfer-level Math or English course \$282
- Transfer to four-year university \$211
- Completion of nine or more CTE units \$141
- Attainment of regional living wage \$141

4. COLA

COLA (cost of living adjustment) will be distributed as specified in the State Apportionment notice.

5. Growth

Growth will not be budgeted until earned and distributed only to the extent in which it is paid by the State.

II. Parameters to Allocate State Apportionment Revenue

1. Educational Services Center (ESC)

The District recognizes that there are certain services that are provided more efficiently through a central operation. Examples of these services include Human Resources, Payroll, Accounts Payable and Purchasing. Funding for the ESC will be determined by a percentage of LACCD Base Allocation determined by the state Student Centered Funding Formula (SCFF). During the three-year implementation of the SCFF, the percentage will be determined by the formula: Prior Year Allocation + Current Year COLA + Board Approved Adjustments +/- cost transfers from/to other locations, divided by the Total Base Allocation of the Total Computation Revenue. This methodology is the equivalent of 6% of the 2018-19 General Fund Unrestricted Revenue budget (less dedicated revenue). Funding for the ESC will come off the top of the Base Allocation, the remaining Base Allocation will be proportionately reduced across all locations and shall be distributed to colleges based on their proportion of the Districts funded FTES. The percentage and methodology will be reviewed a few years after the SCFF is fully implemented.

2. Districtwide (Centralized) Accounts

There are annual expenditures which support the District as a whole or that cannot be easily broken out by college require resources. Examples of these expenditures include Property & Liability Insurance, Legal, Audit, etc. Budgets in these accounts do not carryover but are replenished each year. Funding for the Districtwide Accounts is based on need, the Presidents will make budget recommendation on Districtwide Accounts to the District Budget Committee. Funding for the Districtwide Accounts will come off the top of the Base Allocation, the remaining Base Allocation will be proportionately reduced across all locations and shall be distributed to colleges based on their proportion of the Districts funded FTES.

3. Other Districtwide Accounts

There are Districtwide projects and expenditures that are one time in nature that tend to take multiple years to complete. Budgets in these accounts carryover until project completion or are self-supporting operations. Examples of these expenditures include the President and Dean Academy, DAS professional college, DAS sustainability and Van de Kamp. Funding for these other Districtwide accounts come from one-time budget requests or from unique funding streams and does not come from the Base Allocation.

4. Reserves

The District shall maintain a District General Reserve of six and a half percent (6.5%) and a Contingency Reserve of three and a half percent (3.5%) of total unrestricted general fund revenue at the districtwide account level. Such reserves shall be established to ensure the District's financial stability, to meet emergency situations or budget adjustments due to any revenue projection shortfalls during the fiscal year. Use of the reserve must be approved by the Board prior to any expenditure. State

Apportionment Base Allocation Revenue will be utilized to maintain the General Reserve (6.5%) and replenish the Contingency Reserve (3.5%).

5. College Set Asides

One percent (1.0%) of total college unrestricted allocation is to be set aside in the college budget to ensure College financial stability, to meet emergency situations or budget adjustments due to any revenue projection shortfalls during the fiscal year.

6. Other Set Asides

The District shall maintain a Deferred Maintenance fund, setting aside two percent (2.0%) of total unrestricted general fund revenue at the districtwide account level. State Apportionment Base Allocation Revenue will be utilized to establish the Deferred Maintenance fund each budget year.

7. College Allocation

a. College Minimum Base

To recognize that there are fixed expenses and core services associated with a College regardless of size, each College will receive an annual minimum base allocation determined by the following parameters:

- Minimum Administrative Staffing:
 1. (1) President;
 2. (3) Vice Presidents;
 3. (1) Institutional Research Dean;
 4. (1) Facilities Manager;
 5. Deans
 - a. (4) Deans => small colleges (FTES<10,000);
 - b. (8) Deans => medium colleges (FTES>=10,000 and <20,000);
 - c. (12) Deans => large colleges (FTES>=20,000).
- Maintenance and Operations costs based on average cost per gross square footage.

b. Remaining State Apportionment Allocation

The colleges shall receive 100 % of their earned Supplemental Allocation and 100% of their earned Student Success Allocation, as well as their proportional share of their earned amount of the remaining Base Allocation (after ESC, Districtwide and Reserves).

III. Parameters to Allocate Other Revenue

1. Non-Resident Tuition/Enrollment Fees

Revenue shall be distributed to colleges based on college projections of tuition earnings.

2. Local Revenue and Other Federal and State Revenue (Dedicated Revenue)

Revenue that is directly generated by colleges shall be distributed to colleges based on college projections and adjusted for actual.

3. Lottery Revenue

Revenue shall be distributed to colleges based on the proportion of a college's prior year FTES over the total District FTES and adjusted for actual.

4. Interest and Other Federal, State, and Local Income Not Directly Generated by the Colleges.

Interest and other federal, state, and local income that is not directly generated by colleges shall be utilized to fund the District's reserves.

IV. Parameters for Allocations

1. A College total budget shall be the sum of the adjusted base allocation, 100% of the calculated supplemental allocation, 100% of the calculated student success allocation, plus other revenue; minus college deficit payments; plus, balances.
2. Additional funding received by the District after Final Budget, not directly attributable to an individual college, shall be distributed through the new allocation model as delineated in the Revenue Parameters above.
3. In the event that actual revenues are less than the amounts projected and allocated to colleges for the fiscal year, the college budgets will be recalculated and adjusted accordingly.
4. During the implementation years of the Student Centered Funding Formula, Colleges experiencing an enrollment/FTES decline (to be determined when the First Principal Apportionment Recalculation becomes available) shall be held harmless in the current year of the decline in an amount equal to the revenue loss associated with the FTES reduction in that year.
5. Colleges shall keep their year-end balances up to five percent (5.0%) of their prior fiscal year's Unrestricted General Fund budget, excluding prior year balances. Colleges are allowed to carry over their accumulated balances from fiscal year 2013-14 and subsequent fiscal years up to ten percent (10%) of their prior year Unrestricted General Fund budget. Colleges will be allowed to use up to \$5 million or twenty-five percent (25%) of their ending balances, whichever is less and within the limits of the above parameters. College balance amounts prior to 2013-14 are not to be included in this calculation. Additional access is allowed with the Chancellor's approval.

6. The Educational Services Center shall retain its prior year ending balance including open orders. Open orders for Educational Services Center and Districtwide Accounts shall be funded up to the available balances from these locations. Any uncommitted balances in Districtwide Accounts shall be redistributed to colleges.
7. The college president is the authority for college matters within the parameters of law and Board operating policy. The college president shall be responsible for the successful operation and performance of the college.
8. During Budget Preparation, the Presidents will make a recommendation on Districtwide (Centralized) Accounts allocation to the District Budget Committee.
9. Prior to Budget Preparation, the Presidents will meet to forecast FTES and other metrics and set goals to maximize revenues to be generated by the colleges.
10. Each operating location shall prepare a quarterly report to include annual projected expenditures and identify steps necessary to maintain a balanced budget.
11. The budget allocation will be recalculated using this mechanism at Final Budget, First Principal Apportionment (February), and at year-end.

2020-2021 TENTATIVE BUDGET
Funds Available for 2020-2021
Unrestricted General Fund

	2018-2019	2019-2020	2020-2021	DIFFERENCE
	FINAL BUDGET (COLA@2.71%, Gr@0.00%)	FINAL BUDGET (COLA@3.46%, Gr@0.00%)	TENTATIVE BUDGET (COLA@2.29%, Gr@0.00%)	
Base (excluding EPA Funds)	514,565,697	526,553,405	546,276,537	19,723,132
Base Allocation Increase	1,069,041	0	0	0
EPA Funds	90,230,204	95,701,507	96,024,573	323,066
COLA	16,389,969	20,285,510	14,708,695	(5,576,815)
Growth	0	0	0	0
Lottery	15,603,000	15,461,000	15,461,000	0
Non-Resident	13,015,943	13,422,757	15,085,229	1,662,472
Apprenticeship	163,431	267,391	267,391	0
Part-time Faculty Compensation	2,258,000	2,085,000	2,085,000	0
On-Going State Mandate Block Grant	2,800,000	2,950,000	2,958,000	8,000
Full-Time Faculty Hiring	0	4,443,839	6,629,684	2,185,845
Part-time Office Hours	3,381,000	3,381,000	3,381,000	0
Local				
Interest	2,634,000	3,961,000	3,961,000	0
Dedicated Revenue	7,748,258	7,496,804	8,228,463	731,659
TOTAL INCOME	669,858,543	696,009,213	715,066,572	19,057,359
Fund Balances				
Open Orders	10,116,343	8,332,939	0	(8,332,939)
General Reserve	43,540,805	45,240,599	46,479,327	1,238,728
Other Fund Balance	72,104,086	94,423,929	86,518,140	(7,905,789)
Total Fund Balance	125,761,234	147,997,467	132,997,467	(15,000,000)
TOTAL PROJ FUNDS AVAILABLE	795,619,777	844,006,680	848,064,039	4,057,359

**2020-2021 TENTATIVE BUDGET
UNRESTRICTED GENERAL FUND**

	2018-2019	2019-2020	2020-2021	
	FINAL BUDGET W/O DISTRIBUTED BALANCES	FINAL BUDGET W/O DISTRIBUTED BALANCES	TENTATIVE BUDGET	DIFFERENCE
City	63,427,445	64,474,687	64,642,964	168,277
East	119,576,667	123,122,570	126,199,097	3,076,527
Harbor	36,529,501	36,918,473	36,399,471	(519,002)
Mission	35,728,773	38,005,945	37,840,963	(164,982)
Pierce	74,708,650	76,672,600	78,198,470	1,525,870
Southwest	31,320,520	31,727,300	30,636,067	(1,091,233)
Trade-Tech	63,076,355	65,033,097	64,930,532	(102,565)
Valley	63,454,909	65,889,701	67,122,361	1,232,660
West	42,744,900	44,587,707	44,463,331	(124,376)
College Total	530,567,720	546,432,080	550,433,256	4,001,176
Educational Services Center	28,268,056	30,214,614	31,121,103	906,489
Information Technology	11,704,877	11,969,529	12,308,861	339,332
Districtwide Services	78,933,417	90,054,516	99,474,784	9,420,268
Contingency Reserve	23,445,049	24,360,322	25,027,330	667,008
General Reserve	43,540,805	45,240,599	46,479,327	1,238,728
STRS/PERS Reserve	30,730,000	25,830,000	17,630,000	(8,200,000)
Other District-wide	0	0	0	0
Van de Kamp Innovation	1,018,604	1,018,604	1,059,060	40,456
Supplemental Retirement (SRP)	5,565,068	5,565,068	5,586,773	21,705
Funds for Deferred Maint	13,397,171	13,920,184	14,301,331	381,147
Undistributed Balance	28,449,010	49,401,164	44,642,214	(4,758,950)
TOTAL	795,619,777	844,006,680	848,064,039	4,057,359

**2020-2021 TENTATIVE BUDGET
REVENUE ALLOCATION DETAIL**

	Minimum Base Rev	Base Funds Remaining	EPA Funds	Supplemental	Student Success	COLA (1)	SCFF Hold Harmless	Total SCFF Apportionment	Funds for FT Faculty Hiring	Other State/Local	Apprentice	State Mandate Revenue	Lottery	Non-Resident	Dedicated Revenue	TOTAL REVENUES
City	13,374,944	29,055,215	10,598,128	14,818,251	5,661,384	1,690,093	2,077,537	77,275,552	930,482	645,193	0	326,472	1,739,774	3,176,124	702,239	84,795,836
East	16,263,113	61,176,781	24,275,882	28,909,963	11,916,611	3,511,177	4,599,608	150,653,135	1,163,102	1,156,345	0	747,809	3,945,908	3,954,214	1,417,804	163,038,318
Harbor	8,224,413	15,926,127	5,565,678	7,326,307	3,921,893	946,911	2,011,964	43,923,293	116,310	377,737	0	171,449	898,875	643,518	1,495,328	47,626,510
Mission	7,979,291	18,568,433	6,701,835	9,141,087	3,681,005	1,043,601	0	47,115,252	697,861	408,870	0	206,447	1,061,512	485,000	255,345	50,230,287
Pierce	12,191,855	34,408,302	13,480,313	18,254,406	8,891,178	2,087,427	3,320,933	92,634,414	930,482	767,185	0	415,256	2,159,874	2,652,256	720,063	100,279,530
Southwest	8,242,950	13,123,592	4,411,518	6,427,189	2,506,842	782,799	2,102,644	37,597,535	348,931	275,146	0	135,895	696,287	250,000	916,343	40,220,136
Trade-Tech	11,820,475	29,422,025	11,061,732	14,685,941	7,522,464	1,734,537	1,642,570	77,889,744	814,172	574,096	267,391	340,752	1,757,783	1,177,536	420,589	83,242,063
Valley	12,114,533	31,183,373	11,728,862	17,423,823	7,061,240	1,820,198	0	81,332,029	1,046,792	692,847	0	361,303	1,857,025	1,262,384	396,198	86,948,579
West	8,211,466	21,733,213	8,200,625	9,293,876	4,672,567	1,197,632	0	53,309,378	581,551	568,581	0	252,617	1,343,962	1,484,197	845,494	58,385,780
COLLEGE TOTAL	98,423,040	254,597,060	96,024,573	126,280,843	55,835,184	14,814,375	15,755,256	661,730,332	6,629,684	5,466,000	267,391	2,958,000	15,461,000	15,085,229	7,169,403	714,767,038
Educational Services Ctr																
Information Technology																
Districtwide Svcs																
Contingency Reserve																
General Reserve																
STRS/PERS Reserve																
Other District-wide																
Van de Kamp Innovation															1,059,060	1,059,060
SRP- Early Retirement																
Funds for Def Maint																
Undistrib (Projtd Bal)						(105,680)	(4,614,845)	(4,720,525)	0	3,961,000						(759,526)
TOTAL	98,423,040	254,597,060	96,024,573	126,280,843	55,835,184	14,708,695	11,140,411	657,009,807	6,629,684	9,427,000	267,391	2,958,000	15,461,000	15,085,229	8,228,463	715,066,572

ASSESSMENT AND ADJUSTMENT DETAIL

	TOTAL REVENUES	Assessment	SRP	Faculty Overbase	Centrl at Colleges	PERS/STRS Contingency	BUD ALLOC w/o Balances	Balances	Budget For Open Orders	BUDGET ALLOC before Debt pymt	Debt Repay	BUDGET ALLOCATION
City	84,795,836	(19,617,142)	(818,719)	0	0	944,940	65,304,915	0	0	65,304,915	(661,952)	64,642,964
East	163,038,318	(37,628,461)	(783,449)	42,120	0	1,530,569	126,199,097	0	0	126,199,097	0	126,199,097
Harbor	47,626,510	(10,993,138)	(404,628)	9,720	0	537,906	36,776,371	0	0	36,776,371	(376,900)	36,399,471
Mission	50,230,287	(12,300,252)	(376,443)	9,720	97,834	563,716	38,224,861	0	0	38,224,861	(383,898)	37,840,963
Pierce	100,279,530	(22,226,008)	(543,709)	0	0	1,056,251	78,566,063	0	0	78,566,063	(367,593)	78,198,470
Southwest	40,220,136	(9,536,266)	(209,895)	0	0	482,570	30,956,545	0	0	30,956,545	(320,478)	30,636,067
Trade-Tech	83,242,063	(19,349,287)	(567,509)	710,784	0	894,481	64,930,532	0	0	64,930,532	0	64,930,532
Valley	86,948,579	(20,356,455)	(554,941)	15,552	139,395	930,231	67,122,361	0	0	67,122,361	0	67,122,361
West	58,385,780	(14,111,371)	(496,144)	12,960	0	672,107	44,463,331	0	0	44,463,331	0	44,463,331
COLLEGE TOTAL	714,767,038	(166,118,382)	(4,755,438)	800,856	237,229	7,612,771	552,544,076	0	0	552,544,076	(2,110,821)	550,433,256
Educational Services Ctr	0	31,158,603	(456,773)			419,273	31,121,103	0	0	31,121,103		31,121,103
Information Technology	0	12,477,870	(298,890)			129,881	12,308,861	0	0	12,308,861		12,308,861
Districtwide Svcs	0	96,712,013			(237,229)		96,474,784	3,000,000	0	99,474,784		99,474,784
Contingency Reserve	0	9,470,311	(75,673)	(800,856)		38,075	8,631,857	14,284,652	0	22,916,509	2,110,821	25,027,330
General Reserve	0	1,238,728					1,238,728	45,240,599	0	46,479,327		46,479,327
STRS/PERS Reserve	0					17,630,000	17,630,000		0	17,630,000		17,630,000
Other District-wide	0	0					0	0	0	0		0
Van de Kamp Innovation	1,059,060						1,059,060	0	0	1,059,060		1,059,060
SRP- Early Retirement	0		5,586,773				5,586,773			5,586,773		5,586,773
Funds for Def Maint	0	14,301,331					14,301,331	0		14,301,331		14,301,331
Undistrib (Projtd Bal)	(759,526)	759,526					0	44,642,216		44,642,216		44,642,216
TOTAL	715,066,572	0	(0)	0	0	25,830,000	740,896,572	107,167,467	0	848,064,040	0	848,064,039

2020-2021 TENTATIVE BUDGET
TOTAL UNRESTRICTED GENERAL FUND REVENUES

	Base Allocation (less EPA Funds)	EPA Funds	Supplemental	Student Success	Hold Harmless	COLA	Total SCFF Apportionment	Funds for FT Faculty Hiring	Apprenticeship	Non-Resident	Dedicated	Lottery	Interest/Other State	On-Going State Mandate Block Grant	TOTAL REVENUE
CITY	40,647,905	10,598,128	14,818,251	5,661,384	2,077,537	1,690,093	75,493,298	930,482	0	3,176,124	702,239	1,739,774	645,193	326,472	83,013,582
EAST	83,624,452	24,275,882	28,909,963	11,916,611	4,599,608	3,511,177	156,837,693	1,163,102	0	3,954,214	1,417,804	3,945,908	1,156,345	747,809	169,222,875
HARBOR	22,523,972	5,565,678	7,326,307	3,921,893	2,011,964	946,911	42,296,726	116,310	0	643,518	1,495,328	898,875	377,737	171,449	45,999,943
MISSION	26,048,173	6,701,835	9,141,087	3,681,005	0	1,043,601	46,615,701	697,861	0	485,000	255,345	1,061,512	408,870	206,447	49,730,736
PIERCE	47,207,208	13,480,313	18,254,406	8,891,178	3,320,933	2,087,427	93,241,466	930,482	0	2,652,256	720,063	2,159,874	767,185	415,256	100,886,581
SOUTHWEST	18,735,172	4,411,518	6,427,189	2,506,842	2,102,644	782,799	34,966,164	348,931	0	250,000	916,343	696,287	275,146	135,895	37,588,766
TRADE-TECH	40,831,261	11,061,732	14,685,941	7,522,464	1,642,570	1,734,537	77,478,506	814,172	267,391	1,177,536	420,589	1,757,783	574,096	340,752	82,830,825
VALLEY	43,270,703	11,728,862	17,423,823	7,061,240	0	1,820,198	81,304,826	1,046,792	0	1,262,384	396,198	1,857,025	692,847	361,303	86,921,375
WEST	30,131,253	8,200,625	9,293,876	4,672,567	0	1,197,632	53,495,952	581,551	0	1,484,197	845,494	1,343,962	568,581	252,617	58,572,354
UNDISTRIB/OTHER DW	0	0	0	0	(4,614,845)	(105,680)	(4,720,525)	0	0	0	0	0	3,961,000	0	(759,525)
ESC/INFO TECH/VDK	0	0	0	0	0	0	0	0	0	0	1,059,060	0	0	0	1,059,060
TOTAL	353,020,099	96,024,573	126,280,843	55,835,184	11,140,411	14,708,695	657,009,806	6,629,684	267,391	15,085,229	8,228,463	15,461,000	9,427,000	2,958,000	715,066,572

2020-2021 EDUCATION PROTECTION ACT (EPA)*

FUNDS DISTRIBUTION

COLLEGE	TOTAL STATE FTES	% OF TOTAL	TOTAL EPA FUNDS
City	10,831	11.0%	\$10,598,128
East	24,808	25.3%	\$24,275,882
Harbor	5,688	5.8%	\$5,565,678
Mission	6,849	7.0%	\$6,701,835
Pierce	13,776	14.0%	\$13,480,313
Southwest	4,508	4.6%	\$4,411,518
Trade-Tech	11,304	11.5%	\$11,061,732
Valley	11,986	12.2%	\$11,728,862
West	8,380	8.5%	\$8,200,625
TOTAL	98,130	100.0%	\$96,024,573

*Funds to be restricted in the Education Protection Act (EPA) and cannot be used for salaries and benefits of administrators or any administrative costs.

MINIMUM BASE FUNDING

Revised M&O Cost based on FY 2017-18

	City	East	Harbor	Mission	Pierce	S-west	Trade-Tech	Valley	West	Total
Annual Salary ^[1]										
President	262,234	262,234	262,234	262,234	262,234	262,234	262,234	262,234	262,234	2,360,106
Academic Affairs VP	199,286	199,286	199,286	199,286	199,286	199,286	199,286	199,286	199,286	1,793,570
Student Services VP	199,286	199,286	199,286	199,286	199,286	199,286	199,286	199,286	199,286	1,793,570
Administrative Services VP	199,286	199,286	199,286	199,286	199,286	199,286	199,286	199,286	199,286	1,793,570
Director of College Facilities	152,612	152,612	152,612	152,612	152,612	152,612	152,612	152,612	152,612	1,373,505
Institutional Research Dean	158,656	158,656	158,656	158,656	158,656	158,656	158,656	158,656	158,656	1,427,904
Total Funding for Presidents and VPs	\$1,171,358	\$1,171,358	\$1,171,358	\$1,171,358	\$1,171,358	\$1,171,358	\$1,171,358	\$1,171,358	\$1,171,358	\$10,542,225
<i>Estimated Benefits for Presidents/VPs/DCF/Dean Deans</i>	<i>444,484</i>	<i>444,484</i>	<i>444,484</i>	<i>444,484</i>	<i>444,484</i>	<i>444,484</i>	<i>444,484</i>	<i>444,484</i>	<i>444,484</i>	<i>4,000,352</i>
Current Number of Deans funded from 10100 ⁽⁴⁾	5.3	7.7	5.0	5.5	9.0	5.0	7.0	6.8	4.4	55.6
FTE Faculty (Credit Instruction) ⁽⁵⁾	296	525	170	166	366	120	291	321	220	2,475
FTES (Students) ⁽⁶⁾	10,831	24,818	5,688	6,570	13,776	4,508	11,304	11,986	8,380	97,860
Number of Faculty per Dean	56	68	34	30	41	24	42	48	50	45
Number of FTES per Dean	2,063	3,223	1,138	1,194	1,531	902	1,615	1,776	1,896	1,759
Proposed Number of Deans- (per Total # of FTE	6	14	3	4	8	3	6	7	5	56
Proposed Number of Deans- (per Total # of FTE	7	12	4	4	8	3	7	7	5	56
Proposed Number of Deans ⁽⁷⁾	8	12	4	4	8	4	8	8	4	60
Dean Salary ⁽¹⁾	158,656	158,656	158,656	158,656	158,656	158,656	158,656	158,656	158,656	158,656
Total Funding for Deans Position	\$ 1,269,248	\$ 1,903,872	\$ 634,624	\$ 634,624	\$ 1,269,248	\$ 634,624	\$ 1,269,248	\$ 1,269,248	\$ 634,624	9,519,358
<i>Estimated Benefits for Deans⁽³⁾</i>	<i>417,836</i>	<i>626,755</i>	<i>208,918</i>	<i>208,918</i>	<i>417,836</i>	<i>208,918</i>	<i>417,836</i>	<i>417,836</i>	<i>208,918</i>	<i>3,133,773</i>
M&O Costs by Square Footage										
Gross Square Footage ⁽⁸⁾	1,059,543	1,274,631	606,462	580,676	935,086	608,412	896,018	926,952	605,100	7,492,880
Average Cost per sq.ft. ⁽²⁾	\$9.51	\$9.51	\$9.51	\$9.51	\$9.51	\$9.51	\$9.51	\$9.51	\$9.51	\$9.51
Total funding for M&O Costs	\$10,072,018	\$12,116,645	\$5,765,029	\$5,519,907	\$8,888,929	\$5,783,566	\$8,517,549	\$8,811,608	\$5,752,082	\$71,227,332
Total Proposed Minimum Base Funding	\$13,374,944	\$16,263,113	\$8,224,413	\$7,979,291	\$12,191,855	\$8,242,950	\$11,820,475	\$12,114,533	\$8,211,466	\$98,423,039

[1] Source*: Salary schedule (top step) - for Presidents (\$21,353) plus auto allowance (\$500) totals to \$21,853 per month; for Academic Affairs and Student Services VPs (\$16,607); Administrative Services VP (\$16,607); Director of College Facilities (\$12,718); Dean (\$13,221).

[2] Average Cost per sq.ft. is based on the average cost for all colleges (excluding ITV), and not by individual college.

[3] Benefits are estimated based on FY 2018-19 rates - 49.65% for classified (Administrative Services VP and Director of College Facilities); and 32.92% for certificated (Presidents, other VPs and Deans).

[4] Current Number of Deans is based on the result of a college survey conducted in January 2018.

[5] FTE Faculty (Credit Instruction) is based on the Report WSCH Trends And Staffing Patterns By College in the Fall 2018 Data book as reported by the Office of Attendance Accounting.

[6] FTES (Students) is based on the 2017-18 Annual FTES report, including Credit, Non-Credit and Enhanced Non-Credit FTES, as reported by the Office of Attendance Accounting.

[7] Proposed Number of Deans is 4 for small colleges (FTES < 10,000 - H,M,S,W); 8 for medium (FTES < 20,000 - C,P,T,V); and 12 for large (FTES > 20,000 - E).

[8] Source: Data for M&O Costs and Gross Square Footage for FY 2016-17 is based on data from the Fusion Space Inventory Report.

Student Centered Funding Formula Calculated Revenue

Location	Base	Supplemental	Student Success	Total Calculated SCFF Revenue	Hold Harmless	Hold Harmless SCFF Revenue	COLA Calculation	2020-21 TCR+COLA
City	51,246,033	14,818,251	5,661,384	71,725,668	2,077,537	73,803,205	1,690,093	75,493,298
East	107,900,334	28,909,963	11,916,611	148,726,908	4,599,608	153,326,516	3,511,177	156,837,693
Harbor	28,089,650	7,326,307	3,921,893	39,337,851	2,011,964	41,349,815	946,911	42,296,726
Mission	32,750,008	9,141,087	3,681,005	45,572,100	-	45,572,100	1,043,601	46,615,701
Pierce	60,687,521	18,254,406	8,891,178	87,833,105	3,320,933	91,154,038	2,087,427	93,241,466
Southwest	23,146,690	6,427,189	2,506,842	32,080,721	2,102,644	34,183,365	782,799	34,966,164
Trade-Tech	51,892,993	14,685,941	7,522,464	74,101,399	1,642,570	75,743,969	1,734,537	77,478,506
Valley	54,999,565	17,423,823	7,061,240	79,484,628	-	79,484,628	1,820,198	81,304,826
West	38,331,878	9,293,876	4,672,567	52,298,320	-	52,298,320	1,197,632	53,495,952
Adjustment for Growth					(4,614,845)	(4,614,845)	(105,680)	(4,720,525)
Total	449,044,672	126,280,843	55,835,184	631,160,699	11,140,411	642,301,110	14,708,695	657,009,806

Base Allocation Revenue (FTES + Basic Allocation)

	Basic Allocation	3-Year Average Credit	Special Admit Credit	Incarcerated	CDCP	Noncredit	Total Calculated Base	% of Base Allocation
City	4,719,754	36,468,677	3,824,662	-	5,878,413	354,527	51,246,033	11.4%
East	5,394,006	84,960,543	6,256,095	54,027	8,042,354	3,193,309	107,900,334	24.0%
Harbor	4,045,502	21,943,610	1,762,253	-	96,632	241,653	28,089,650	6.3%
Mission	4,045,502	24,449,127	2,154,609	98,496	1,145,681	856,592	32,750,008	7.3%
Pierce	4,719,754	52,184,061	2,383,590	-	59,089	1,341,027	60,687,521	13.5%
Southwest	4,045,502	14,761,282	1,528,887	-	1,948,535	862,484	23,146,690	5.2%
Trade-Tech	4,719,754	40,042,904	3,337,015	-	2,921,901	871,419	51,892,993	11.6%
Valley	4,719,754	43,480,119	2,323,885	-	4,093,386	382,420	54,999,565	12.2%
West	4,045,502	29,916,887	2,229,886	-	1,520,080	619,522	38,331,878	8.5%
Total	40,455,032	348,207,210	25,800,882	152,523	25,706,072	8,722,953	449,044,672	

Paid FTES Workload Measures

	3-Year Average Credit	Special Admit Credit	Incarcerated	CDCP	Noncredit
City	9,086	680	-	1,046	105
East	21,168	1,113	10	1,431	945
Harbor	5,467	313	-	17	71
Mission	6,092	383	18	204	253
Pierce	13,002	424	-	11	397
Southwest	3,678	272	-	347	255
Trade-Tech	9,977	594	-	520	258
Valley	10,833	413	-	728	113
West	7,454	397	-	270	183
Total	86,757	4,589	27	4,572	2,580

FTES Funding Rates	\$ 4,013.61	\$ 5,621.94	\$ 5,621.94	\$ 5,621.94	\$ 3,380.63
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Multi District Basic Allocation Rates

Category	Range	Rate
small	<10,000	4,045,502
medium	10,000 - 19,999	4,719,754
large	>=20,000	5,394,006

Base Funds Remaining

Adjustment to FTES Base	
Description	Amount
Minimum Base	98,423,039
EPA	96,024,573
Base Distributed to Colleges	194,447,612

Calculation of Base Funds Remaining	
Total Base Allocation	449,044,672
Less: Base Revenue to Colleges ^[1]	(194,447,612)
FTES Base Funds Remaining	254,597,060

Distribution of Base Remaining

	% of Base	Funds
City	11.4%	29,055,215
East	24.0%	61,176,781
Harbor	6.3%	15,926,127
Mission	7.3%	18,568,433
Pierce	13.5%	34,408,302
Southwest	5.2%	13,123,592
Trade-Tech	11.6%	29,422,025
Valley	12.2%	31,183,373
West	8.5%	21,733,213
Total		254,597,060

[1] Distributed using different methodology

2019-20 FTES Workload Measures

	Credit w/o Special Admit	Special Admit	Incarcerated	Total Credit	CDCP	Noncredit	Total FTES
City	9,000	680	-	9,680	1,046	105	10,831
East	21,311	1,113	10	22,433	1,431	945	24,808
Harbor	5,286	313	-	5,599	17	71	5,688
Mission	5,991	383	18	6,392	204	253	6,849
Pierce	12,945	424	-	13,369	11	397	13,776
Southwest	3,635	272	-	3,907	347	255	4,508
Trade-Tech	9,933	594	-	10,527	520	258	11,304
Valley	10,731	413	-	11,145	728	113	11,986
West	7,530	397	-	7,927	270	183	8,380
Total	86,361	4,589	27	90,978	4,572	2,580	98,130

Calculation of 3 Year Credit Average

	Total Credit			Special Admit & Incarcerated Credit			Credit w/o Special Admit or Incarcerated			3 yr average
	2017-18	2018-19	2019-20 P1	2017-18	2018-19	2019-20 P1	2017-18	2018-19	2019-20 P1	
City	9,970	9,680	9,680	711	680	680	9,259	9,000	9,000	9,086
East	22,974	22,433	22,433	2,091	1,122	1,122	20,883	21,311	21,311	21,168
Harbor	6,156	5,599	5,599	325	313	313	5,831	5,286	5,286	5,467
Mission	6,658	6,392	6,392	365	401	401	6,293	5,991	5,991	6,092
Pierce	13,520	13,369	13,369	404	424	424	13,116	12,945	12,945	13,002
Southwest	3,994	3,907	3,907	229	272	272	3,764	3,635	3,635	3,678
Trade-Tech	10,736	10,527	10,527	672	594	594	10,064	9,933	9,933	9,977
Valley	11,427	11,145	11,145	390	413	413	11,037	10,731	10,731	10,833
West	7,637	7,927	7,927	336	397	397	7,301	7,530	7,530	7,454
Total	93,071	90,978	90,978	5,524	4,616	4,616	87,548	86,361	86,361	86,757

Supplemental Allocation

Supplemental - Revenue

	AB 540 Totals	Pell Grant Totals	Promise Grant Students Totals	Subtotal	% of Total	Unallocated Adj	Total Supplemental
<i>rates</i>	\$ 949.07	\$ 949.07	\$ 949.07				
City	834,187	4,446,393	9,503,987	14,784,567	12%	33,684	14,818,251
East	1,322,166	8,376,492	19,145,589	28,844,247	23%	65,717	28,909,963
Harbor	297,924	2,293,902	4,717,827	7,309,653	6%	16,654	7,326,307
Mission	507,498	2,571,980	6,040,831	9,120,308	7%	20,779	9,141,087
Pierce	850,624	5,457,153	11,905,134	18,212,911	14%	41,495	18,254,406
Southwest	158,208	2,013,927	4,240,445	6,412,579	5%	14,610	6,427,189
Trade-Tech	845,487	4,473,916	9,333,154	14,652,558	12%	33,383	14,685,941
Valley	848,569	5,496,064	11,039,582	17,384,216	14%	39,607	17,423,823
West	365,727	2,528,322	6,378,699	9,272,749	7%	21,126	9,293,876
Total District	6,031,340	37,659,098	82,306,198	125,993,788		287,055	126,280,843
Total State ^[1]	6,030,412	37,676,311	82,574,120	126,280,843			

Difference between State and LACCD	287,055
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Supplemental Workload Measures ^[1]

	AB 540 Totals	Pell Grant Totals	Promise Grant Students Totals
City	879	4,685	10,014
East	1,393	8,826	20,173
Harbor	314	2,417	4,971
Mission	535	2,710	6,365
Pierce	896	5,750	12,544
Southwest	167	2,122	4,468
Trade-Tech	891	4,714	9,834
Valley	894	5,791	11,632
West	385	2,664	6,721
Unallocated		19	283
Total District	6,354	39,698	87,005
Total State	6,354	39,698	87,005

^[1] 2018-19 data and revenue

Student Success Allocation - Total Revenue

Location	All Students	Pell	Grant	Total Success
City	4,022,269	858,656	780,459	5,661,384
East	8,488,184	1,798,474	1,629,953	11,916,611
Harbor	2,871,371	552,573	497,950	3,921,893
Mission	2,608,236	556,216	516,553	3,681,005
Pierce	6,466,671	1,257,604	1,166,903	8,891,178
Southwest	1,712,040	428,974	365,829	2,506,842
Trade-Tech	5,413,375	1,087,750	1,021,339	7,522,464
Valley	4,988,015	1,093,618	979,607	7,061,240
West	3,444,073	616,867	611,626	4,672,567
Total	40,014,233	8,250,732	7,570,219	55,835,184

Student Success Allocation - All Student

Student Success - All Student Revenue

	Associate Degree for Transfer	Associate Degree	Baccalaureate Degree	Credit Certificates	Transfer level Math and English	Transfers to 4 yr	9 or more CTE Units	Regional Living Wage	Subtotal	% of Total	Revenue Adjustment	Total
<i>rates</i>	\$ 2,236	\$ 1,677	\$ 1,677	\$ 1,118	\$ 1,118	\$ 839	\$ 559	\$ 559				
City	644,817	754,772	-	238,918	127,473	401,145	1,022,948	765,394	3,955,466	10%	66,803	4,022,269
East	1,853,197	1,402,757	-	325,390	304,890	698,299	2,214,555	1,548,120	8,347,210	21%	140,974	8,488,184
Harbor	597,108	872,180	-	30,936	189,718	363,686	354,836	415,218	2,823,682	7%	47,689	2,871,371
Mission	588,908	534,490	-	107,345	128,591	223,635	507,467	474,481	2,564,917	7%	43,318	2,608,236
Pierce	1,308,271	1,626,952	-	102,127	386,518	897,334	1,164,584	873,485	6,359,271	16%	107,401	6,466,671
Southwest	192,327	606,054	-	38,018	53,300	145,363	258,486	390,058	1,683,605	4%	28,434	1,712,040
Trade-Tech	118,527	725,140	-	898,271	42,491	144,803	2,337,928	1,056,307	5,323,468	14%	89,907	5,413,375
Valley	1,054,071	949,894	-	301,163	190,836	616,393	975,239	817,576	4,905,172	12%	82,843	4,988,015
West	559,090	505,976	36,900	225,872	76,409	236,214	1,005,244	741,167	3,386,873	9%	57,200	3,444,073
Total District	6,918,552	7,979,892	38,577	2,269,160	1,501,343	3,727,710	9,841,848	7,082,366	39,349,664		664,569	40,014,233
Total State⁽¹⁾	6,937,930	8,013,432	37,459	2,437,631	1,521,097	3,737,514	10,097,718	7,231,452	40,014,233			

Revenue Difference between State and LACCD 664,569

Student Success Data- 3 Year Average - All Student Data ⁽¹⁾

	Associate Degree for Transfer	Associate Degree	Baccalaureate Degree	Credit Certificates	Transfer level Math and English	Transfers to 4 yr	9 or more CTE Units	Regional Living Wage
City	288	450	-	214	114	478	1,830	1,369
East	829	836	-	291	273	833	3,961	2,769
Harbor	267	520	-	28	170	434	635	743
Mission	263	319	-	96	115	267	908	849
Pierce	585	970	-	91	346	1,070	2,083	1,562
Southwest	86	361	-	34	48	173	462	698
Trade-Tech	53	432	-	803	38	173	4,182	1,889
Valley	471	566	-	269	171	735	1,744	1,462
West	250	302	22	202	68	282	1,798	1,326
Unallocated	10	21	-	152	19	13	459	268
Total	3,102	4,778	22	2,180	1,360	4,457	18,061	12,934

⁽¹⁾ 2018-19 data and revenue

	Associate Degree for Transfer (ADT)				Associate Degrees (AA/AS)				Baccalaureate Degrees			
	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg
City	209	293	363	288	472	440	438	450				
East	606	791	1,089	829	942	761	806	836				
Harbor	218	276	307	267	629	460	471	520				
Mission	202	263	325	263	320	278	358	319				
Pierce	440	522	793	585	1,052	916	942	970				
Southwest	73	86	99	86	415	343	326	361				
Trade-Tech	44	52	63	53	437	478	382	432				
Valley	366	478	570	471	654	534	511	566				
West	161	288	301	250	286	293	326	302	-	28	38	22
Unallocated	2	13	14	10	29	18	16	21				
Total	2,321	3,062	3,924	3,102	5,236	4,521	4,576	4,778	-	28	38	22

	Credit Certificates				Transfer Level Math and English				Transfer to a 4-Year University			
	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg
City	255	153	233	214	83	120	139	114	461	494	480	478
East	304	291	278	291	217	221	380	273	814	905	779	833
Harbor	39	16	28	28	90	206	213	170	430	434	437	434
Mission	75	103	110	96	67	128	150	115	236	292	272	267
Pierce	89	90	95	91	211	345	481	346	1,062	1,078	1,070	1,070
Southwest	53	20	29	34	15	63	65	48	150	202	168	173
Trade-Tech	899	835	676	803	16	33	65	38	147	162	209	173
Valley	326	263	219	269	142	169	201	171	730	721	754	735
West	206	191	209	202	49	90	66	68	261	279	305	282
Unallocated	409	19	27	152	14	20	22	19	10	10	18	13
Total	2,655	1,981	1,904	2,180	904	1,395	1,782	1,360	4,301	4,577	4,492	4,457

	Nine or More CTE Units				Regional Living Wage			
	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg
City	1,953	1,809	1,727	1,830	1,194	1,555	1,358	1,369
East	4,042	3,809	4,032	3,961	2,471	3,009	2,827	2,769
Harbor	712	613	579	635	642	835	751	743
Mission	963	853	907	908	674	928	944	849
Pierce	2,094	2,050	2,105	2,083	1,365	1,695	1,627	1,562
Southwest	495	442	450	462	533	752	808	698
Trade-Tech	4,455	4,001	4,089	4,182	1,760	2,031	1,877	1,889
Valley	1,632	1,737	1,864	1,744	1,337	1,530	1,520	1,462
West	1,974	1,681	1,739	1,798	1,144	1,449	1,384	1,326
Unallocated	782	373	221	459	599	115	89	268
Total	19,102	17,368	17,713	18,061	11,719	13,899	13,185	12,934

Student Success Allocation - Pell Student

Student Success - Pell Student Revenue

	Associate Degree for Transfer	Associate Degree	Baccalaureate Degree	Credit Certificates	Transfer level Math and English	Transfers to 4 yr	9 or more CTE Units	Regional Living Wage	Subtotal	% of Total	Revenue Adjustment	Total
rates	\$ 846	\$ 634	\$ 634	\$ 423	\$ 423	\$ 317	\$ 211	\$ 211				
City	174,465	191,516	-	56,228	24,239	100,409	219,282	89,277	855,416	10%	3,239	858,656
East	503,102	369,081	-	69,898	51,860	182,110	410,519	205,119	1,791,689	22%	6,785	1,798,474
Harbor	139,798	173,126	-	6,060	27,621	72,611	69,406	61,867	550,488	7%	2,085	552,573
Mission	151,353	125,775	-	25,507	23,111	53,269	106,752	68,349	554,118	7%	2,098	556,216
Pierce	301,861	365,488	-	21,279	58,342	185,280	216,675	103,933	1,252,859	15%	4,744	1,257,604
Southwest	60,316	171,435	-	11,133	11,274	41,220	67,222	64,756	427,356	5%	1,618	428,974
Trade-Tech	37,768	190,459	-	201,520	9,160	36,147	485,774	122,818	1,083,647	13%	4,104	1,087,750
Valley	262,121	240,769	-	63,556	41,995	145,011	229,922	106,118	1,089,492	13%	4,126	1,093,618
West	141,489	114,360	7,610	44,814	12,119	46,611	162,488	85,049	614,540	7%	2,327	616,867
Total District	1,773,118	1,942,643	8,244	500,419	260,144	862,986	1,968,252	907,497	8,219,605		31,127	8,250,732
Total State^[1]	1,776,774	1,948,772	7,821	510,146	259,724	864,888	1,968,642	913,965	8,250,732			

Revenue Difference between State and LACCD 31,127

Student Success Data- 3 Year Average - Pell Student Data ^[1]

	Associate Degree for Transfer	Associate Degree	Baccalaureate Degree	Credit Certificates	Transfer level Math and English	Transfers to 4 yr	9 or more CTE Units	Regional Living Wage
City	206	302	-	133	57	317	1,037	422
East	595	582	-	165	123	574	1,942	970
Harbor	165	273	-	14	65	229	328	293
Mission	179	198	-	60	55	168	505	323
Pierce	357	576	-	50	138	584	1,025	492
Southwest	71	270	-	26	27	130	318	306
Trade-Tech	45	300	-	477	22	114	2,298	581
Valley	310	380	-	150	99	457	1,088	502
West	167	180	12	106	29	147	769	402
Unallocated	5	11	-	24	-	7	3	32
Total	2,101	3,073	12	1,207	614	2,728	9,313	4,324

^[1] 2018-19 data and revenue

	Associate Degree for Transfer (ADT)				Associate Degrees (AA/AS)				Baccalaureate Degrees			
	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg
City	151	211	257	206	335	293	278	302				
East	435	583	767	595	654	539	553	582				
Harbor	141	175	180	165	336	254	229	273				
Mission	136	170	231	179	204	181	210	198				
Pierce	275	303	493	357	633	560	536	576				
Southwest	56	79	79	71	313	255	243	270				
Trade-Tech	40	41	53	45	301	336	264	300				
Valley	254	324	352	310	450	355	334	380				
West	106	197	199	167	176	171	194	180	-	11	25	12
Unallocated	-	9	7	5	10	14	8	11				
Total	1,594	2,092	2,618	2,101	3,412	2,958	2,849	3,073	-	11	25	12

	Credit Certificates				Transfer Level Math and English				Transfer to a 4-Year University			
	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg
City	155	110	134	133	48	57	67	57	313	332	305	317
East	178	144	174	165	86	100	182	123	570	642	511	574
Harbor	20	12	11	14	31	66	99	65	240	221	226	229
Mission	42	66	73	60	29	63	72	55	150	188	166	168
Pierce	49	53	49	50	89	145	180	138	605	595	553	584
Southwest	43	17	19	26	7	30	43	27	113	155	122	130
Trade-Tech	558	486	386	477	9	15	41	22	102	114	126	114
Valley	188	148	115	150	73	97	128	99	470	446	456	457
West	116	92	110	106	16	38	32	29	156	127	158	147
Unallocated	51	12	9	24	-	-	-	-	5	2	14	7
Total	1,400	1,140	1,080	1,207	388	611	844	614	2,724	2,822	2,637	2,728

	Nine or More CTE Units				Regional Living Wage			
	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg
City	1,159	984	969	1,037	391	476	400	422
East	2,071	1,873	1,882	1,942	842	1,017	1,052	970
Harbor	359	322	304	328	253	330	295	293
Mission	530	482	503	505	268	361	341	323
Pierce	1,038	996	1,041	1,025	403	542	530	492
Southwest	361	298	295	318	267	321	331	306
Trade-Tech	2,495	2,204	2,195	2,298	483	650	610	581
Valley	1,026	1,088	1,149	1,088	469	525	512	502
West	848	710	748	769	349	454	404	402
Unallocated	4	2	3	3	61	15	19	32
Total	9,891	8,959	9,089	9,313	3,786	4,691	4,494	4,324

Student Success Allocation - CA Promise Grant

Student Success - CA Promise Grant Revenue

	Associate Degree	Baccalaureate Degree	Associate Degree for Transfer	Credit Certificates	9 or more CTE Units	Transfers	Transfer level Math and English	Living Wage	Subtotal	% of Total	Revenue Adjustment	Total
rates	\$ 564	\$ 423	\$ 423	\$ 282	\$ 282	\$ 211	\$ 141	\$ 141				
City	143,180	162,203	-	49,981	21,796	84,204	199,402	115,648	776,414	10%	4,045	780,459
East	415,259	308,199	-	59,376	51,579	155,865	380,860	250,368	1,621,506	22%	8,447	1,629,953
Harbor	119,129	149,802	-	6,107	28,279	60,528	65,904	65,622	495,369	7%	2,581	497,950
Mission	128,524	112,175	-	22,454	23,675	45,308	101,650	80,090	513,876	7%	2,677	516,553
Pierce	263,624	318,769	-	19,917	59,846	161,009	208,703	128,989	1,160,856	15%	6,047	1,166,903
Southwest	45,472	137,118	-	8,549	10,522	31,920	58,717	71,634	363,933	5%	1,896	365,829
Trade-Tech	28,561	159,525	-	182,451	8,362	29,736	460,292	147,120	1,016,046	13%	5,293	1,021,339
Valley	222,849	201,661	-	59,376	35,889	121,338	200,106	133,310	974,531	13%	5,077	979,607
West	120,068	104,001	7,892	46,505	11,368	44,533	167,413	106,676	608,457	8%	3,170	611,626
Total District	1,486,665	1,653,453	7,892	454,718	251,316	734,439	1,843,046	1,099,458	7,530,987		39,232	7,570,219
Total State⁽¹⁾	1,490,791	1,658,961	8,033	466,459	253,100	736,330	1,847,377	1,109,168	7,570,219			

Revenue Difference between State and LACCD 39,232

Student Success Data- 3 Year Average -Promise Grant Recipients Data⁽¹⁾

	Associate Degree	Baccalaureate Degree	Associate Degree for Transfer	Credit Certificates	9 or more CTE Units	Transfers	Transfer level Math and English	Living Wage
City	254	384	-	177	77	398	1,415	821
East	737	729	-	211	183	737	2,703	1,777
Harbor	211	354	-	22	100	286	468	466
Mission	228	265	-	80	84	214	721	568
Pierce	468	754	-	71	212	762	1,481	915
Southwest	81	324	-	30	37	151	417	508
Trade-Tech	51	377	-	647	30	141	3,266	1,044
Valley	395	477	-	211	127	574	1,420	946
West	213	246	19	165	40	211	1,188	757
Unallocated	7	13	-	43	6	9	30	69
Total	2,645	3,924	19	1,656	898	3,483	13,109	7,871

[1] 2018-19 data and revenue

	Associate Degree for Transfer (ADT)				Associate Degrees (AA/AS)				Baccalaureate Degrees			
	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg
City	171	263	328	254	393	386	372	384				
East	525	725	960	737	790	673	724	729				
Harbor	172	228	234	211	418	325	320	354				
Mission	171	226	287	228	260	241	295	265				
Pierce	346	413	644	468	814	717	731	754				
Southwest	65	83	94	81	367	313	293	324				
Trade-Tech	41	49	62	51	365	424	343	377				
Valley	310	407	469	395	542	453	436	477				
West	132	248	259	213	232	241	265	246	-	22	34	19
Unallocated	-	11	11	7	12	16	11	13			1	
Total	1,933	2,653	3,348	2,645	4,193	3,789	3,790	3,924	-	22	35	19

	Credit Certificates				Transfer Level Math and English				Transfer to a 4-Year University			
	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg
City	205	135	192	177	55	83	94	77	388	405	402	398
East	221	197	214	211	129	145	275	183	728	802	682	737
Harbor	29	15	21	22	50	105	146	100	298	279	282	286
Mission	57	89	93	80	49	89	114	84	192	226	225	214
Pierce	71	68	73	71	113	226	298	212	769	769	747	762
Southwest	48	20	23	30	10	46	56	37	128	177	148	151
Trade-Tech	727	681	534	647	14	22	53	30	133	133	156	141
Valley	256	204	172	211	96	123	163	127	585	543	594	574
West	172	148	175	165	17	62	42	40	207	196	229	211
Unallocated	92	18	18	43	-	9	10	6	8	4	15	9
Total	1,878	1,575	1,515	1,656	533	910	1,251	898	3,436	3,534	3,480	3,483

	Nine or More CTE Units				Regional Living Wage			
	2016-17	2017-18	2018-19	3yr avg	2016-17	2017-18	2018-19	3yr avg
City	1,507	1,392	1,346	1,415	748	906	808	821
East	2,721	2,641	2,746	2,703	1,581	1,881	1,868	1,777
Harbor	502	467	434	468	408	500	489	466
Mission	731	698	735	721	494	623	588	568
Pierce	1,463	1,464	1,516	1,481	768	1,009	969	915
Southwest	449	408	393	417	432	526	567	508
Trade-Tech	3,416	3,168	3,215	3,266	897	1,156	1,079	1,044
Valley	1,313	1,410	1,537	1,420	886	972	980	946
West	1,273	1,139	1,152	1,188	693	813	765	757
Unallocated	11	31	49	30	144	26	36	69
Total	13,386	12,818	13,123	13,109	7,051	8,412	8,149	7,871

College Hold Harmless Calculation

	2019-20	2020-21							2020-21
	TCR @P1	Min Base	Base Funds Remaining	EPA	Total Allocated Base	Supplemental	Student Success	Total TCR	Hold Harmless Amount
City	75,585,458	13,374,944	29,055,215	10,598,128	53,028,287	14,818,251	5,661,384	73,507,922	2,077,537
East	147,141,958	16,263,113	61,176,781	24,275,882	101,715,776	28,909,963	11,916,611	142,542,350	4,599,608
Harbor	42,976,382	8,224,413	15,926,127	5,565,678	29,716,218	7,326,307	3,921,893	40,964,418	2,011,964
Mission	44,999,109	7,979,291	18,568,433	6,701,835	33,249,559	9,141,087	3,681,005	46,071,650	
Pierce	90,546,986	12,191,855	34,408,302	13,480,313	60,080,470	18,254,406	8,891,178	87,226,053	3,320,933
Southwest	36,814,736	8,242,950	13,123,592	4,411,518	25,778,060	6,427,189	2,506,842	34,712,092	2,102,644
Trade-Tech	76,155,208	11,820,475	29,422,025	11,061,732	52,304,232	14,685,941	7,522,464	74,512,637	1,642,570
Valley	77,876,086	12,114,533	31,183,373	11,728,862	55,026,768	17,423,823	7,061,240	79,511,831	
West	50,449,727	8,211,466	21,733,213	8,200,625	38,145,304	9,293,876	4,672,567	52,111,746	
adjustment									(4,614,845)
Total	642,545,651	98,423,040	254,597,060	96,024,573	449,044,673	126,280,843	55,835,184	631,160,700	11,140,411

Assessment Calculation

Total Assessment	166,118,382
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	Total Allocated Base	Base %	Assessment
City	53,028,287	11.8%	19,617,142
East	101,715,776	22.7%	37,628,461
Harbor	29,716,218	6.6%	10,993,138
Mission	33,249,559	7.4%	12,300,252
Pierce	60,080,470	13.4%	22,226,008
Southwest	25,778,060	5.7%	9,536,266
Trade-Tech	52,304,232	11.6%	19,349,287
Valley	55,026,768	12.3%	20,356,455
West	38,145,304	8.5%	14,111,371
Total	449,044,673		166,118,382

Dedicated Revenue Projections/Distribution

	City	East	Harbor	Mission	Pierce	Sowest	Trade	Valley	West	ESC	Total
Veterans Rptg Fee											0
Sales-Ref Matl & Art											0
Sales-Other											0
print & copy rev					2,000						2,000
Salvage Sales	5,000	10,000	10,000	1,000	2,000		8,500	3,500	3,000		43,000
Admin Allowance	67,239	128,911	37,328	43,995	95,563	26,243	55,679	76,548	54,494		586,000
Degree Diff Fees	0	0	0	0	0	0	0	0	0	0	0
Class Audit Fees	5,000	12,000	500	4,000	8,000	1,000	6,200	4,000	4,000		44,700
SEVIS Fees	15,000	30,000	2,000	4,500	8,500	2,000	4,800	1,000	1,000		68,800
Drop Fees	0	0	0	0	0	0	0	0	0	0	0
Library Fines	5,000	500	250	500	2,000	500	520	500	1,000		9,770
Foreign St Appl Fee	5,000	10,000	500	1,500	5,000	100	800	50	0		23,950
Metro iPass	0	0	0	0	0	0	40	0	0		40
Transcripts	90,000	130,000	50,000	45,000	78,000	40,000	11,000	80,000	50,000		574,000
Emerg Transcr Fees	0	0	0	0	0	0	8,500	0	0		8,500
Facility Rental	425,000	592,993	100,000	110,000	430,000	750,000	160,000	200,000	450,000		3,217,993
Civic Center Rental	0	400,000	500	0	0	0	0	0	0		400,000
Baccalaureate fees	0	0	0	0	0	0	0	0	200,000		200,000
Program Development	0	0	0	0	0	0	0	0	40,000		40,000
Traffic Citations	30,000	50,000	15,000	16,500	75,000	25,000	10,400	0	0		261,900
Donations	0	0	0	0	0	0	0	10,000	0		10,000
Trade-Disc Taken	0	0	0	0	0	0	0	0	0		0
Outlawed Warrants	0	0	0	300	0	0	0	0	0		300
Overpay of Reg Fees	0	0	0	0	0	0	0	0	0		0
Dup Reg Receipt	0	0	0	750	0	0	0	0	0		750
Dup Diploma/Certif	0	0	0	0	0	0	400	0	0		400
Verification Fees	5,000	3,000	1,000	2,800	0	0	1,600	0	2,000		15,400
Copy Machine	0	0	7,500	24,000	0	30,000	10,000	0	0		71,500
Returned Checks	0	400	250	500	0	0	350	0	0		1,500
Other: Income	0	10,000	500	0	0	500	0	0	0		11,000
Other: Local	0	40,000	120,000	0	0	1,000	1,800	0	0		162,800
Subtot Non-Specfc	652,239	1,417,804	345,328	255,345	706,063	876,343	280,589	375,598	805,494	0	5,714,803
Farm Sales					2,000						2,000
Swap Meet			750,000								750,000
Golf Driving Range											0
Contract Educ	45,000		400,000			40,000	140,000	20,000	40,000		685,000
Journalism	5,000				12,000			600			17,600
Van de Kamp										1,059,060	1,059,060
Subtot Specific	50,000	0	1,150,000	0	14,000	40,000	140,000	20,600	40,000	1,059,060	2,513,660
Location Total	702,239	1,417,804	1,495,328	255,345	720,063	916,343	420,589	396,198	845,494	1,059,060	8,228,463

Dedicated revenues are those arising from locally managed activities, which can be associated with individual locations. Colleges are now responsible for their own projections of dedicated revenues. (2% of enrollment revenue) provided by Budget & Mgmt Analysis.

Districtwide Services Appropriations

ITEM	LACC	ELAC	LAHC	LAMC	PC	LASC	LATTC	LAVC	WLAC	ITV	ESC	D-wide	Total
A. OPERATING BUDGETS													
ACADEMIC SENATE	0	0	0	0	0	0	0	0	0	0	0	640,747	640,747
ACCREDITATION	0	0	0	0	0	0	0	0	0	0	0	17,000	17,000
APPLICATIONS	0	0	0	0	0	0	0	0	0	0	0	1,117,351	1,117,351
AUDIT EXPENSE	0	0	0	0	0	0	0	0	0	0	0	700,000	700,000
BENEFITS-RETIREE	0	0	0	0	0	0	0	0	0	0	0	32,170,015	32,170,015
CENTRAL FINANCIAL AID UNIT (CFAU)	0	0	0	0	0	0	0	0	0	0	0	1,745,908	1,745,908
DOLORES HUERTA CENTER	0	0	0	0	0	0	0	0	0	0	0	341,449	341,449
D'WIDE MARKETING (PUBLIC RELATIO	0	0	0	0	0	0	0	0	0	0	0	1,809,500	1,809,500
MANDATORY MEMBERSHIPS	0	0	0	0	0	0	0	0	0	0	0	529,506	529,506
EMPLOYEE ASSISTANCE PROGRAM	0	0	0	0	0	0	0	0	0	0	0	153,500	153,500
ENVIRONMENTAL HEALTH AND SAFE	0	0	0	0	0	0	0	0	0	0	0	957,500	957,500
GOLD CREEK*	0	0	0	0	0	0	139,395	0	0	0	0	139,395	139,395
HR-TRAINING & DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	254,000	254,000
LEADERSHIP DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	120,000	120,000
METRO RECORDS*	0	0	0	97,834	0	0	0	0	0	0	0	0	97,834
TOTAL OPERATING BUDGETS													40,793,705
B. OPERATING BUDGET W/ VARIABLE EXPENSES													
COLLECTIVE BARGAINING	0	0	0	0	0	0	0	0	0	0	0	1,131,000	1,131,000
LEGAL EXPENSE	0	0	0	0	0	0	0	0	0	0	0	3,630,000	3,630,000
LIABILITY INSURANCE	0	0	0	0	0	0	0	0	0	0	0	6,977,000	6,977,000
RESERVE FOR INSUR/LEGAL/MC	0	0	0	0	0	0	0	0	0	0	0	2,901,638	2,901,638
WORKER'S COMPENSATION	0	0	0	0	0	0	0	0	0	0	0	6,075,750	6,075,750
TOTAL OP BUDGETS W/ VARIABLE EXPENSES													20,715,388
C. OTHER DISTRICTWIDE ACCOUNTS													
BOARD ELECTION EXPENSE	0	0	0	0	0	0	0	0	0	0	0	3,000,000	3,000,000
DISTRICT/CAMPUS SAFETY	0	0	0	0	0	0	0	0	0	0	0	23,575,716	23,575,716
DISTRICTWIDE BENEFITS	0	0	0	0	0	0	0	0	0	0	0	70,000	70,000
EMERGENCY PREPAREDNESS	0	0	0	0	0	0	0	0	0	0	0	212,000	212,000
GASB 45	0	0	0	0	0	0	0	0	0	0	0	60,100	60,100
HEALTH BENEFITS	0	0	0	0	0	0	0	0	0	0	0	425,000	425,000
IT- CYBER SECURITY	0	0	0	0	0	0	0	0	0	0	0	480,000	480,000
IT- ERP/SAP	0	0	0	0	0	0	0	0	0	0	0	1,157,000	1,157,000
IT- NETWORK	0	0	0	0	0	0	0	0	0	0	0	309,000	309,000
IT-SERVICE CENTER	0	0	0	0	0	0	0	0	0	0	0	1,356,904	1,356,904
IT-STUDENT SYSTEMS AND WEB SER	0	0	0	0	0	0	0	0	0	0	0	2,100,000	2,100,000
LA COLLEGE PROMISE	0	0	0	0	0	0	0	0	0	0	0	50,000	50,000
PROJECT MATCH	0	0	0	0	0	0	0	0	0	0	0	123,700	123,700
PUBLIC POLICY	0	0	0	0	0	0	0	0	0	0	0	857,500	857,500
STAFF DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	30,000	30,000
TUITION REIMBURSEMENT	0	0	0	0	0	0	0	0	0	0	0	473,000	473,000
VACATION BALANCE	0	0	0	0	0	0	0	0	0	0	0	600,000	600,000
WELLNESS PROGRAM	0	0	0	0	0	0	0	0	0	0	0	323,000	323,000
TOTAL OTHER DISTRICTWIDE ACCOUNTS													35,202,920
TOTAL DISTRICTWIDE SVCS	0	0	0	97,834	0	0	0	139,395	0	0	0	96,474,784	96,712,013

* Indicates items funded separately from college/office allocations but not budgeted in Business Area D000.

Other District-Wide

ITEM	LACC	ELAC	LAHC	LAMC	PC	LASC	LATTC	LAVC	WLAC	ITV	ESC	D-wide	Total
Chancellor's Innovation Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
DAS Professional Development Colleg	0	0	0	0	0	0	0	0	0	0	0	0	0
DAS Sustainability	0	0	0	0	0	0	0	0	0	0	0	0	0
Dean's Academy	0	0	0	0	0	0	0	0	0	0	0	0	0
LA Promise	0	0	0	0	0	0	0	0	0	0	0	0	0
President's Academy	0	0	0	0	0	0	0	0	0	0	0	0	0
SMC-Public Relations/Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0
State Mandate Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER DISTRICT-WIDE	0	0	0	0	0	0	0	0	0	0	0	0	0

SCHEDULE OF COLLEGE DEBT REPAYMENT

	2007-08 Rem. Deficit	2008-09 Deficit	2009-10 Deficit	2010-11 Deficit	2011-12 Deficit	2012-13 Deficit	2013-14 Deficit	2014-15 Deficit	2015-16 Deficit	2016-17 Deficit	2017-18 Deficit	2018-19 Deficit	TOTAL DEBT	AMOUNT REPAID	REMAINING DEBT
City	0	(2,316,097)	0	0	0	0	0	(2,440,375)	(1,327,489)	(2,938,363)	0	0	(9,022,324)	5,283,423	(3,738,901)
East	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Harbor	(2,030,710)	(2,441,782)	(1,708,181)	0	0	0	0	(855,643)	(2,766,812)	(1,876,609)	0	0	(11,679,737)	5,610,683	(6,069,054)
Mission	0	0	0	0	0	0	0	0	0	0	(1,381,859)	(865,807)	(2,247,666)	383,898	(1,863,768)
Pierce	0	0	0	0	0	0	0	0	0	0	0	(367,593)	(367,593)	0	(367,593)
Southwest	overcap*	(1,364,784)	(1,466,650)	(1,757,597)	(1,269,281)	(547,551)	(163,380)	(2,191,687)	(3,458,762)	(1,821,925)	(2,956,398)	(1,094,702)	(18,092,717)	3,681,482	(14,411,235)
Trade-Tech	overcap*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valley ^[1]	(689,051)	(460,779)	(531,310)	(312,085)	(796,968)	(1,641,710)	(707,588)	0	0	0	0	0	(5,139,491)	5,139,491	0
West	0	(596,118)	0	0	0	0	0	0	0	0	0	0	(596,118)	596,118	0
ITV	0	0	0	0	0	0	0	0	(350,248)	0	0	0	(350,248)	350,248	0
TOTAL	(2,719,761)	(7,179,560)	(3,706,141)	(2,069,682)	(2,066,249)	(2,189,261)	(870,968)	(5,487,705)	(7,903,311)	(6,636,897)	(4,338,257)	(2,328,102)	(47,495,894)	21,045,343	(26,450,551)

*Unfunded Overcap applied to debt repayment.

	2020-2021 TENTATIVE BUDGET	-1% Limit of Budget Allocation	REMAINING DEBT	Debt To Repay in 2020-21	Debt To Repay in 2021-22	Debt To Repay in 2022-23	Debt To Repay in 2023-24	Debt To Repay in 2024-25	Debt To Repay in 2025-26	Debt To Repay in 2026-27	Debt To Repay in 2027-28	Debt To Repay in 2028-29	Debt To Repay in 2029-30
City	65,304,915	(653,049)	(3,738,901)	(661,952)	(653,049)	(653,049)	(653,049)	(653,049)	(464,753)	0	0	0	0
East	126,199,097	(1,261,991)	0	0	0	0	0	0	0	0	0	0	0
Harbor	36,776,371	(367,764)	(6,069,054)	(376,900)	(367,764)	(367,764)	(367,764)	(367,764)	(367,764)	(367,764)	(367,764)	(367,764)	(367,764)
Mission	38,224,861	(382,249)	(1,863,768)	(383,898)	(382,249)	(382,249)	(382,249)	(333,123)	0	0	0	0	0
Pierce	78,566,063	(785,661)	(367,593)	(367,593)	0	0	0	0	0	0	0	0	0
Southwest	30,956,545	(309,565)	(14,411,235)	(320,478)	(309,565)	(309,565)	(309,565)	(309,565)	(309,565)	(309,565)	(309,565)	(309,565)	(309,565)
Trade-Tech	64,930,532	(649,305)	0	0	0	0	0	0	0	0	0	0	0
Valley ^[1]	67,122,361	(671,224)	0	0	0	0	0	0	0	0	0	0	0
West	44,463,331	(444,633)	0	0	0	0	0	0	0	0	0	0	0
TOTAL	552,544,076	(5,525,441)	(26,450,551)	(2,110,821)	(1,712,627)	(1,712,627)	(1,712,627)	(1,663,501)	(1,142,082)	(677,329)	(677,329)	(677,329)	(677,329)

^[1] Valley College met all parameter of the Debt repayment policy and it's outstanding debt of \$3,854,619 was waived at May 2017 DBC, June 2017 Budget & Finance committee.

Estimated Fall 2020 Regular Faculty FTEF Hires Required ^ (May 12, 2020)

<u>Line</u>		<u>Total</u>
1	Fall 19 FON Full-Time Faculty FTE	1598.6
2	"Late" Separations applied to Fall 19 FON	27.0
3	"Early" 2020 Separations (as of May 11, 2020)*	25.0
4	Estimated FTEF Adjusted for Separations (Line 1 minus Line 2 & 3)	1546.6
5	Posted College "Critical" Credit Hires †	18.0
6	Estimated FTEF Fall 2020 FTEF (Lines 4 plus 5)	1564.6
7	State Estimated P1 LACCD Fall 2020 FTEF (As of May 1, 2020)*	1549.9
8	Projected Hires over Projected Required (Line 7 minus line 6)	14.7

**Colleges to Hire Critical Faculty Positions.
Currently projecting about 18 credit faculty hires.
Also projecting 2 non-credit which currently do not count towards FON.**

Nites:

^ Fall 2020 State P1 Estimate FON with 0.0% Deficit as of May 1, 2020.

† Includes only those positions posted to the academic employment webpage.

* If the faculty member declared their intent to resign prior to 45 days before the end of the Spring 2020 term (**before March 26, 2020**), the resignation would be considered an "early" separation for the Fall 2020 FON calculation and the employee would need to be replaced to meet the Fall 2020 FON. If the faculty member declared their intent to resign after 45 days before the end of the Spring 2020 term (**on or after March 26, 2020**), the resignation would be considered a "late" separation for the Fall 2020 FON calculation and could count in the Fall 2020 FON calculation if the employee is not replaced in the Fall 2020 term. This number could possibly change if additional forms which have been signed have not be

ANNUAL 2019-2020 Student-Centered Funding Formula Metrics Report
Wednesday, May 13, 2020

		FTEs ⁵							EQUITY ⁷			Credit Standard Hours and FTEF ⁸					
		% of Max. FTEs ³ ((a+b)/c)	Max. CREDIT FTEs cap ⁴ (c)	Credit FTEs (a)	Non-Cr Enhanced FTEs ⁶	Non-Cr Reg FTEs ⁶	Credit Special Admit K12 & Incarcerated FTEs (b)	Total FTEs	AB540	Promise Grant	Pell Grant	Regular Credit Stndrd Hrs	Hourly Credit Stndrd Hrs	Total Credit Stndrd Hrs	Regular Credit FTEF	Hourly Credit FTEF	Total Credit FTEF
City	AY 19-20	65.8%	14,009.25	8,600.44	690.09	66.74	611.97	9,969.24	921	11,818	4,910	4,236	5,550	9,786	322	471	793
	AY 18-19 ²	71.4%	13,553.52	9,000.11	1,045.62	104.87	679.93	10,830.53	981	11,854	4,555	4,264	5,860	10,124	327	491	818
	% of prev yr ¹	103.36%	95.56%	66.00%	63.64%	90.00%	92.05%	93.88%	99.70%	107.79%	99.35%	94.70%	96.66%	98.48%	95.90%	96.93%	
East	AY 19-20	81.8%	21,984.86	17,004.12	1,286.83	577.37	969.91	19,838.23	1,300	19,806	9,026	8,145	10,295	18,439	652	879	1,532
	AY 18-19	84.7%	22,328.78	17,800.36	1,430.53	944.59	1,119.17	21,294.65	1,514	20,947	8,436	8,029	10,352	18,382	640	889	1,529
	% of prev yr	98.46%	95.53%	89.95%	61.12%	86.66%	93.16%	85.87%	94.55%	106.99%	101.43%	99.45%	100.31%	101.99%	98.94%	100.22%	
Harbor	AY 19-20	81.8%	6,504.50	5,030.22	32.84	34.51	288.14	5,385.72	368	6,275	2,433	2,178	3,149	5,327	164	248	412
	AY 18-19	80.2%	6,977.14	5,285.66	17.19	71.48	313.39	5,687.72	352	6,089	2,354	2,261	3,147	5,408	170	228	398
	% of prev yr	93.23%	95.17%	191.09%	48.28%	91.94%	94.69%	104.55%	103.05%	103.36%	96.30%	100.06%	98.49%	95.94%	108.78%	103.29%	
ITV	AY 19-20		0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
	AY 18-19	23.7%	1,176.51	274.66	0.00	0.00	4.45	279.11	81	1,475	0	339	0	339	29	0	29
	% of prev yr	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mission	AY 19-20	84.1%	7,012.03	5,416.56	149.43	155.24	477.95	6,199.18	601	7,605	2,662	1,924	3,605	5,529	147	298	445
	AY 18-19	84.1%	7,265.37	5,716.69	203.79	253.38	395.82	6,569.68	643	8,066	2,617	1,795	3,703	5,498	139	303	442
	% of prev yr	96.51%	94.75%	73.32%	61.27%	120.75%	94.36%	93.47%	94.28%	101.72%	107.20%	97.35%	100.56%	105.85%	98.41%	100.75%	
Pierce	AY 19-20	82.5%	15,892.56	12,646.77	16.17	282.92	472.01	13,417.87	951	12,623	5,847	6,068	6,306	12,375	462	541	1,003
	AY 18-19	81.8%	16,347.17	12,946.30	10.51	396.68	422.43	13,775.92	960	13,132	5,435	5,885	6,852	12,737	444	601	1,045
	% of prev yr	97.22%	97.69%	153.81%	71.32%	111.74%	97.40%	99.06%	96.12%	107.58%	103.11%	92.04%	97.15%	104.00%	90.00%	95.95%	
Southwest	AY 19-20	67.5%	5,471.45	3,323.81	318.24	87.94	370.60	4,100.58	298	5,589	2,134	1,792	2,558	4,350	138	219	357
	AY 18-19	70.4%	5,545.13	3,636.62	346.59	255.13	269.92	4,508.26	246	5,518	2,024	1,762	2,418	4,180	136	208	344
	% of prev yr	96.67%	91.40%	91.82%	34.47%	137.30%	90.96%	121.14%	101.29%	105.43%	101.71%	105.79%	104.07%	101.57%	105.45%	103.91%	
Trade-Tech	AY 19-20	72.6%	13,645.65	9,630.97	289.65	193.54	276.08	10,390.23	919	10,209	4,715	5,301	6,528	11,830	342	505	847
	AY 18-19	74.7%	14,082.65	9,939.62	519.73	257.77	586.48	11,303.60	981	10,617	4,539	5,254	6,541	11,795	339	513	851
	% of prev yr	96.90%	96.89%	55.73%	75.08%	47.07%	91.92%	93.68%	96.16%	103.88%	100.90%	99.81%	100.30%	101.01%	98.54%	99.53%	
Valley	AY 19-20	73.2%	14,369.90	10,052.89	462.50	62.73	463.49	11,041.62	1,083	13,603	5,572	4,576	6,063	10,639	341	512	853
	AY 18-19	75.9%	14,684.33	10,732.30	728.11	113.12	412.53	11,986.06	1,081	14,133	5,572	4,474	6,351	10,825	337	532	869
	% of prev yr	97.86%	93.67%	63.52%	55.46%	112.35%	92.12%	100.19%	96.25%	100.00%	102.28%	95.46%	98.28%	101.03%	96.28%	98.12%	
West	AY 19-20	66.9%	11,114.02	7,105.28	201.17	89.44	324.59	7,720.48	720	11,305	2,743	2,802	5,356	8,158	222	463	685
	AY 18-19	73.8%	10,740.46	7,533.63	270.38	183.26	393.19	8,380.46	618	11,013	2,557	2,703	5,199	7,903	215	433	648
	% of prev yr	103.48%	94.31%	74.40%	48.81%	82.55%	92.12%	116.50%	102.65%	107.27%	103.65%	103.02%	103.23%	103.69%	106.79%	105.76%	
District	AY 19-20	75.5%	110,004.20	78,811.04	3,446.92	1,550.44	4,254.75	88,063.15	7,161	98,833	40,042	37,021	49,409	86,431	2,790	4,136	6,926
	AY 18-19	77.6%	112,701.07	82,865.93	4,572.46	2,580.27	4,597.33	94,615.99	7,457	102,844	38,089	36,766	50,423	87,189	2,776	4,197	6,973
	% of prev yr	97.61%	95.11%	75.38%	60.09%	92.55%	93.07%	96.03%	96.10%	105.13%	100.69%	97.99%	99.13%	100.53%	98.55%	99.34%	

¹% of prev yr = AY 19-20 percentage of AY 18-19

²AY 18-19 numbers reflect the information as of the end of the reporting year for FTEs information.

³% of Max. FTEs = Credit FTEs divided by Max. Credit FTEs cap. Max. Credit FTEs cap is calculated based on the enrollment capacity for scheduled credit classes only and standard hours for the courses.

⁴Max Credit FTEs Cap includes Apprenticeship classes, except OPMA classes.

⁵FTEs information excludes In-Service Training (IST); AY 18-19 IST FTEs = 3523.20. As of reporting year 2018-19, FTEs also includes Apprenticeship classes, except OPMA classes, and Credit Special Admin includes credit only K12 and Incarcerated FTEs.

⁶PA attendance hours reflect hours currently available in the system for both Credit and Non-Credit PA classes

⁷Equity information are from Summer to Spring for the academic year. AY 18-19 = Summer 2018 to Spring 2019; AY 19-20 = Summer 2019 to Spring 2020.

⁸Credit standard hours and FTEF exclude In-Service Training (IST) classes. Credit standard hours & FTEF information are from Summer to Spring for the academic year. AY 18-19 = Summer 2018 to Spring 2019; AY 19-20 = Summer 2019 to Spring 2020.

Spring 2020 Student-Centered Funding Formula Metrics Report
Wednesday, May 13, 2020

		FTES ⁵							EQUITY			Credit Standard Hours and FTEF ⁷					
		% of Max. FTES ³ ((a+b)/c)	Max. CREDIT FTES cap ⁴ (c)	Credit FTES (a)	Non-Cr Enhanced FTES ⁶	Non-Cr Reg FTES ⁶	Credit Special Admit K12 & Incarcerated FTES (b)	Total FTES	AB540	Promise Grant	Pell Grant	Regular Credit Stndrd Hrs	Hourly Credit Stndrd Hrs	Total Credit Stndrd Hrs	Regular Credit FTEF	Hourly Credit FTEF	Total Credit FTEF
City	2020	73.2%	5,469.94	3,696.36	15.24	0.08	308.66	4,020.34	570	7,363	3,584	1,884	2,385	4,269	127	158	285
	2019 ²	70.1%	5,660.09	3,695.28	404.63	33.48	269.66	4,403.05	583	8,222	3,640	1,936	2,382	4,318	131	158	289
	% of prev yr ¹		96.64%	100.03%	3.77%	0.24%	114.46%	91.31%	97.77%	89.55%	98.46%	97.31%	100.15%	98.87%	96.58%	100.22%	98.57%
East	2020	86.0%	8,714.14	7,063.28	31.89	3.63	428.98	7,527.78	832	13,795	6,325	3,529	3,968	7,498	237	264	501
	2019	85.6%	8,818.15	7,083.12	216.95	373.59	469.27	8,142.94	1,014	15,473	6,198	3,531	3,970	7,501	237	263	501
	% of prev yr		98.82%	99.72%	14.70%	0.97%	91.41%	92.45%	82.05%	89.16%	102.05%	99.97%	99.95%	99.96%	99.87%	100.40%	100.15%
Harbor	2020	78.7%	3,020.29	2,221.34	5.75	0.57	157.08	2,384.75	230	4,045	1,793	997	1,344	2,341	66	88	155
	2019	78.0%	2,991.29	2,205.09	9.92	16.98	128.63	2,360.62	225	4,462	2,000	1,015	1,418	2,433	67	93	161
	% of prev yr		100.97%	100.74%	58.00%	3.38%	122.12%	101.02%	102.22%	90.65%	89.65%	98.23%	94.80%	96.23%	98.37%	94.87%	96.35%
ITV	2020		0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
	2019	23.1%	578.40	131.49	0.00	0.00	2.20	133.69	37	787	0	136	0	136	9	0	9
	% of prev yr		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mission	2020	87.7%	2,867.11	2,310.31	0.00	0.40	203.04	2,513.75	375	4,785	1,993	864	1,480	2,344	57	99	156
	2019	85.7%	2,861.73	2,294.46	120.33	99.86	157.91	2,672.56	404	5,416	2,104	822	1,428	2,250	55	95	149
	% of prev yr		100.19%	100.69%	0.00%	0.40%	128.58%	94.06%	92.82%	88.35%	94.72%	105.12%	103.64%	104.18%	104.38%	104.64%	104.55%
Pierce	2020	84.7%	6,644.01	5,404.38	2.46	4.88	220.69	5,632.42	619	8,753	4,352	2,776	2,475	5,251	186	167	353
	2019	81.3%	6,846.69	5,399.90	3.65	169.80	169.05	5,742.40	622	9,926	4,453	2,698	2,681	5,380	181	181	362
	% of prev yr		97.04%	100.08%	67.55%	2.88%	130.55%	98.08%	99.52%	88.18%	97.73%	102.88%	92.29%	97.60%	103.09%	91.88%	97.47%
Southwest	2020	65.9%	2,187.53	1,273.09	66.90	4.26	168.83	1,513.08	181	3,164	1,474	807	998	1,805	54	66	119
	2019	65.8%	2,216.40	1,333.81	193.36	87.04	125.06	1,739.28	136	3,533	1,565	794	892	1,686	53	59	112
	% of prev yr		98.70%	95.45%	34.60%	4.90%	135.00%	86.99%	133.09%	89.56%	94.19%	101.64%	111.89%	107.06%	101.34%	111.18%	106.54%
Trade-Tech	2020	75.3%	5,758.03	4,255.31	27.16	2.48	78.14	4,363.10	602	6,479	3,272	2,424	2,704	5,127	134	158	291
	2019	73.2%	5,953.01	4,125.82	147.97	86.16	233.02	4,592.97	636	7,394	3,412	2,390	2,613	5,003	132	153	284
	% of prev yr		96.72%	103.14%	18.36%	2.88%	33.54%	95.00%	94.65%	87.63%	95.90%	101.41%	103.49%	102.50%	101.47%	103.35%	102.48%
Valley	2020	75.1%	5,929.39	4,222.97	10.29	0.24	227.69	4,461.19	686	8,968	4,165	2,061	2,420	4,481	136	162	298
	2019	74.6%	6,172.03	4,447.79	293.14	59.22	155.77	4,955.91	695	10,153	4,388	2,019	2,506	4,525	134	167	301
	% of prev yr		96.07%	94.95%	3.51%	0.41%	146.17%	90.02%	98.71%	88.33%	94.92%	102.10%	96.56%	99.03%	102.10%	96.69%	99.09%
West	2020	67.8%	4,343.13	2,796.83	17.48	0.00	146.73	2,961.04	340	6,543	1,902	1,229	2,052	3,281	81	134	216
	2019	70.6%	4,402.34	2,948.17	107.91	62.40	161.81	3,280.30	344	7,157	1,964	1,183	2,106	3,289	78	138	216
	% of prev yr		98.66%	94.87%	16.19%	0.00%	90.68%	90.27%	98.84%	91.42%	96.84%	103.88%	97.45%	99.76%	104.34%	97.33%	99.86%
District	2020	78.3%	44,933.56	33,243.86	177.17	16.55	1,939.85	35,377.44	4,435	63,895	28,860	16,571	19,825	36,395	1,079	1,296	2,375
	2019	76.4%	46,500.12	33,664.93	1,497.86	988.54	1,872.39	38,023.71	4,696	72,523	29,724	16,523	19,995	36,518	1,077	1,307	2,384
	% of prev yr		96.63%	98.75%	11.83%	1.67%	103.60%	93.04%	94.44%	88.10%	97.09%	100.29%	99.15%	99.67%	100.14%	99.14%	99.59%

¹% of prev yr = Spring 2020 percentage of Spring 2019.

²2019 numbers reflect the information as of the end of the term.

³% of Max. FTES = Credit FTES divided by Max. Credit FTES cap. Max. Credit FTES cap is calculated based on the enrollment capacity for scheduled credit classes only and standard hours for the courses.

⁴Max Credit FTES Cap includes Apprenticeship classes, except OPMA classes.

⁵FTES information excludes In-Service Training (IST); Spring 2019 IST FTES = 1466.50 and AY 18-19 IST FTES = 3523.20. FTES also includes Apprenticeship classes, except OPMA classes, and Credit Special Admin column includes K12 and Incarcerated FTES.

⁶PA attendance hours reflect hours currently available in the system for both Credit and Non-Credit PA classes.

⁷Credit standard hours and FTEF exclude In-Service Training (IST) and Contract Ed classes.