

Membership

Academic Senate

Glen Baghdasarian
Charles Daniel
Angela Echeverri
Jeff Hernandez
Robert L. Stewart Jr.*
Eddie Tchertchian

District Budget Committee

Feb 9 2022

1:30 pm – 3:30 pm

Zoom Meeting

<https://laccd.zoom.us/j/94194007668>

Meeting ID:941 9400 7668

Faculty Guild

Ruby Christian Brougham
Joseph Guerrieri
Sandra Lee
John McDowell
Olga Shewfelt
Joanne Waddell

Unions/Association

Tom Aduwo
Hazel Alonzo
Mary-Jo Apigo
Harry Ziogas
Vacant-Build & Trade
Vacant-Local 99

College Presidents

Aracely Aguiar **
Seher Awan
Luis Dorado **
Mary Gallagher *
Barry Gribbons
James M. Limbaugh
Armida Ornelas **
Albert Román
Katrina VanderWoude

STUDENT TRUSTEE REPRESENTATIVE

vacant

* Co-chairs

**Interim

- Call to Order (*Robert L. Stewart Jr.*)
- Approval of Agenda
- Approval of Minutes for Nov 10 and Dec 8, 2021
- Chancellor's Remarks/Updates
- ECDBC Reports and Recommendations
- Enrollment Update & Reporting (Cornner)
- FON Update (Gutierrez)
- 2022-23 Governor's Budget (Gordon)
- HEERF (Gordon)
- Information: Chapter 6 Administrative Procedures (Gordon)
- DBC Recommendations to the Chancellor
- Items to Be Addressed by ECDBC
- Other Business

Committee Charge:

- Formulates recommendations to the Chancellor for budget planning policies consistent with the District Strategic Plan
- Reviews the District budget and makes recommendations to the Chancellor for adoption or modification
- Reviews District financial condition quarterly

Future DBC Meetings: Mar 9, Apr 13, May 11, Jun 8

Future ECDBC Meetings: Feb 22, Mar 22, Apr 26, May 24, Jun 21

Archived documents can be found on the DBC website:

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

District Budget Committee Meeting Minutes
 November 10, 2021
 1:30-3:30 p.m., Zoom Meeting

Roll Call X Indicates Present

Academic Senate

Glen Baghdasarian	X
Charles V. Daniel	X
Angela Echeverri	X
Jeffrey Hernandez	X
Robert L. Stewart Jr.*	X
Eddie Tchertchian	X

L.A. Faculty Guild

Ruby Christian Brougham	X
Joseph Guerrieri	X
Sandra Lee	X
John McDowell	X
Olga Shewfelt	X
Joanne Waddell	X

Unions/Association

Tom Aduwo; Local 721	
Hazel J. Alonzo; Local 1521A	X
Vacant; SEIU Local 99	
Mary-Jo Apigo; Local 911 Teamster	X
Harry Ziogas; Class Mgmt. Rep	X
Vacant-Build & Cost Trade	

College Presidents

Aracely Aguiar**	X
Seher Awan	X
Luis Dorado**	X
Mary Gallagher*	X
Barry Gribbons	X
James M. Limbaugh	X
Armida Ornelas**	X
Albert Román	X
Katrina VanderWoude	X

Student Trustee Rep

* DBC CO-chairs

** Interim

Also Present

Resources	Guests	Guests	Guests
Ryan Cornner	Tangelia Alfred	Kevin Jeter	Rolf Schleicher
Jeanette L. Gordon	Violet Amrikhas	Greg Mazzarella	Sarah Song
Mercedes Gutierrez	Myeshia Armstrong	Jose Mendoza	Brian Walsh
Debora La Teer	Silvia Barajas	Rasel Menendez	Hao Xie
Melinda Nish	Kristi Blackburn	Valencia Moffett	Jason Zhu
Maury Pearl	Jennifer Cole	Asha Omar	
Francisco Rodriguez	Amanda Gong	Reagan Romali	
Maria Luisa Veloz	Daniel Hall	La Vergne Rosow	

1. **Call to Order** - at 1:33 p.m. by Robert L. Stewart Jr.
2. **Approval of Agenda** – The items on the agenda was approved.
3. **Approval of Minutes** - The minutes of the October 13, 2021 meeting were approved.
4. **Chancellor’s Remarks/Updates**
 - The Chancellor encourages everyone to attend the District-wide Enrollment Town Hall meeting on Monday, November 15, 2021, from 12:00-1:30 p.m. featuring reports and presentations regarding what the District is doing in regards to enrollment and its importance.
 - The District plans on receiving \$9m in faculty hiring dollars in permanent funding for the hiring of full-time faculty. Chancellor shared a planning document that shows the distribution of 65 hires with each college receiving a minimum of 4, the remaining distribution based on how far a college is away from the 75/25 ratio. Encourage the colleges to hire in the area of ethnic studies and noncredit.
5. **ECDBC Reports and Recommendations**
 - The ECDBC reviewed the items submitted at the last meeting and concluded that these items are part of the individual college processes.
6. **Enrollment Update & Reporting (Cornner)**
 - Fall 2021 11% down in headcount and 13% down in duplicated enrollment
 - Winter 2021: 24% in-person; 4% hybrid; 72% remote
 - Reported 87,000 FTES on the P1 320 report.
 - Effective Spring 2022, Board Rule 2900 vaccination requirement will be enforced for in-person learning.
7. **FON Update (Gutierrez)**
 - The District Fall 2021 FON compliance report submitted to the State shows faculty count is 27.5 above the FON.
 - A document titled *Fall 2021 Full-Time Faculty Obligation Calculations by College as of October 29, 2021*, was presented and discussed.
 - A report outlining the percentage of Part-Time Faculty who were hired into full-time faculty tenured track positions was requested.
8. **Chapter 6 Board Policies (Gordon)**
 - Motion was submitted to approve the Chapter 6 Board Policies with the following amendment to BP 6200 Budget Preparation to add: *The budget process includes input from the District Budget Committee to ensure the participation of all constituencies in the development of the Budget.*
9. **DBC Recommendations to the Chancellor**
 - No recommendation to the Chancellor.
10. **Items to Be Addressed by ECDBC**
 - None
11. **Other Business**

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

District Budget Committee Meeting Minutes
 December 8, 2021
 1:30-3:30 p.m., Zoom Meeting

Roll Call X Indicates Present

Academic Senate

Glen Baghdasarian	X
Charles V. Daniel	X
Angela Echeverri	X
Jeffrey Hernandez	X
Robert L. Stewart Jr.*	X
Eddie Tchertchian	X

L.A. Faculty Guild

Ruby Christian Brougham	X
Joseph Guerrieri	X
Sandra Lee	X
John McDowell	X
Olga Shewfelt	X
Joanne Waddell	X

Unions/Association

Tom Aduwo; Local 721	
Hazel J. Alonzo; Local 1521A	X
Vacant; SEIU Local 99	
Mary-Jo Apigo; Local 911 Teamster	X
Harry Ziogas; Class Mgmt. Rep	X
Vacant-Build & Cost Trade	

College Presidents

Aracely Aguiar**	X
Seher Awan	
Luis Dorado**	X
Mary Gallagher*	X
Barry Gribbons	X
James M. Limbaugh	X
Armida Ornelas**	X
Albert Román	X
Katrina VanderWoude	X

Student Trustee Rep

* DBC CO-chairs

** Interim

Also Present

<u>Resources</u>	<u>Guests</u>	<u>Guests</u>	<u>Guests</u>
Ryan Cornner	Violet Amrikhas	Daniel Hall	Nyame-Tease Prempeh
Jeanette L. Gordon	Myeshia Armstrong	Kevin Jeter	Laura E. Ramirez
Mercedes Gutierrez	Tom Anderson	Greg Mazzarella	Reagan Romali
Debora La Teer	Silvia Barajas	Jose Mendoza	Rolf Schleicher
Melinda Nish	Kristi Blackburn	Rasel Menendez	Sarah Song
Maury Pearl	Grace Chee	Valencia Moffett	Brian Walsh
Francisco Rodriguez	Amanda Gong	Asha Omar	Hao Xie
Maria Luisa Veloz	Roberto Gonzalez	Bob Parker	Karen Yao
			Jason Zhu

Call to Order - at 1:32 p.m. by Marry Gallagher.

1. **Approval of Agenda** – The items on the agenda was approved. The committee welcomes Dr. Charles V. Daniel, from WLAC he will be replacing Mr. Joshua Wentz.
2. **Approval of Minutes** - The minutes of the November 10, 2021 meeting were not approved. Item number 5 needs further review and the minutes will be brought back to the next meeting.
3. **Chancellor's Remarks/Updates**
 - Special thanks to all involved for the launch with the LA Metro go pass initiative.
 - The next enrollment summit is planned for the end of January or the first week of February.
 - Special appreciation for putting together a good mix of hybrid and online courses for the Spring semester.
 - Highlights of Legislative and budgetary priorities that LACCD is going to be introducing in 2022:
 - Student Centered Funding Formula
 - Pension Cost relief
 - Scheduled Maintenance
 - Base allocation funding increase
 - Cal Grant reform.
 - CA center for climate change education
 - Expand nursing
 - Support some congressional
 - Universal basic income for justice involved youth.
 - Congressional earmarks that support LA metro go pass
4. **ECDBC Reports and Recommendations**
 - There was no meeting in November.
5. **Enrollment Update & Reporting (Cornner)**
 - Similar rates in terms of enrollment in Winter that have been seen in the Fall.
 - Winter 2021: 25% in-person; 3% hybrid; 72% remote
6. **FON Update (Gutierrez)**
 - There are approximately 1,877 employees that have not complied with the mandatory vaccination policy and/or uploaded the exemption request.
 - The District Fall 2021 FON compliance report submitted to the State shows faculty count is 1,439.3.
 - The District is projecting the Fall 2022 compliance number to be 1,466.8 which would require the District to hire 78.5 faculty.
 - A report was requested of the breakdown of the faculty hires by college.
7. **2021-22 1 Qtr. Results by location (Gordon)**
 - A schedule of 1st Qtr. College and ESC projected ending balances was distributed and discussed.
8. **Information Chapter 6 Administrative Procedures (Gordon)**
 - Discussion on whether the APs should be approved by the committee ensued.
 - The co-chairs and ESC staff will review and pull out those APs that pertain to the Budget Committee and bring those back to the next meeting.
9. **DBC Recommendation to the Chancellor**
 - No recommendations to the Chancellor
10. **Items to Be Addressed by ECDBC**
 - Review the draft DBC minutes for November 10, 2021; specifically, item #5.
11. **Other Business**
 - The DBC meeting for January 12, 2022 is canceled due to a conflict with the rescheduled Board of Trustee meeting.

The meeting was adjourned at 3:16 p.m.



LACCD Enrollment Update

SPRING 2022 TO SPRING 2021 COMPARISONS

DAY 0 - RELATIVE TO THE BEGINNING OF INSTRUCTION

Relative Day Comparisons for Day 0, comparing Spring 2022 (Monday, February 7, 2022) to Spring 2021 (Monday, February 8, 2021). Data source: LACCD PS Student Information System.

HEADCOUNT
92,177

86%

107,772

ENROLLMENT
198,790

85%

234,367

SECTION
COUNT
9,677

106%

9,158

ENROLLMENT
DIVIDED BY SECTION
20.5

80%

25.6

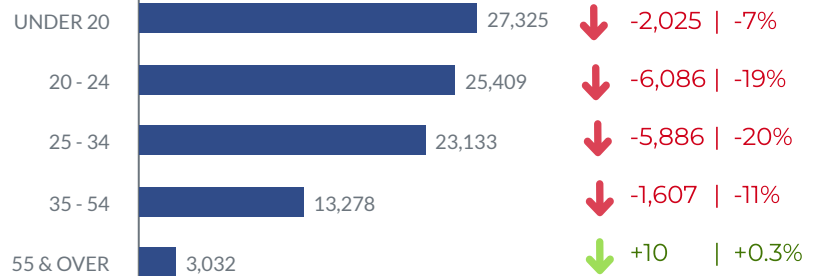
GENDER

Spring 2022 Change from 2021

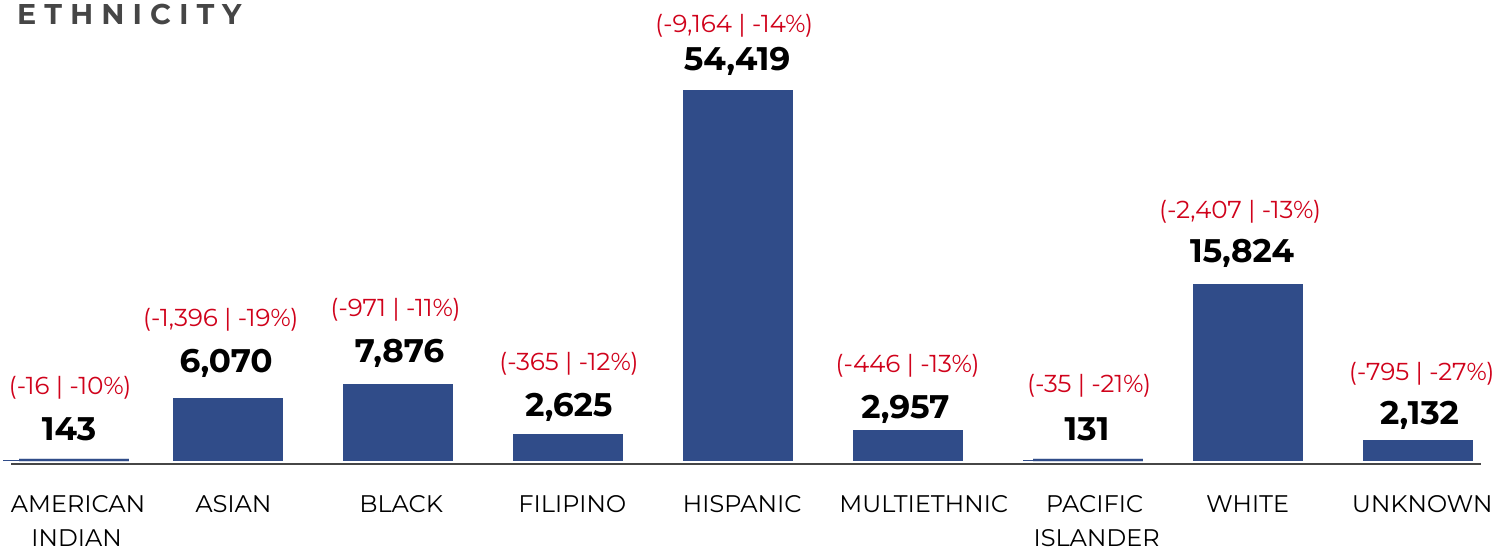
FEMALE	53,991	↓ -11,335 -17%
MALE	37,168	↓ -4,777 -11%
NON-BINARY	382	↑ +239 N/A
UNKNOWN	636	↑ +278 N/A

AGE

Change from 2021



ETHNICITY



CLASS MODALITY & FILL RATE

CLASS MODALITY:	61% Remote	5% Hybrid	34% In-Person
FILL RATE:	64%	50%	39%

2022-23 Governor's Budget Proposal

- For community colleges, the budget includes:
 - Ongoing
 - \$460.7 million for a 5.33% COLA (includes certain categorical) **(LACCD \$39.5m)**
 - \$ 24.9 million for one-half percent growth
 - \$200.0 million to support part time health insurance program **(LACCD \$1.2m)**
 - \$ 25.0 million for technology modernization (plus \$75m one time) **(LACCD \$2.1m)**
 - \$ 10.0 million to fund NextUp programs (grant)
 - One-time
 - \$150.0 million to support retention and enrollment **(LACCD \$12.9m)**
 - \$387.6 million for deferred maintenance & instruction supplies **(LACCD \$33.2m)**
 - \$180.0 million for pathways technology, implementation and programs
 - \$ 65.0 million for implementation of transfer reforms
 - \$105.0 million for common course numbering
 - \$ 200,000 for Umoja best practices

2022-23 Governor's Budget Proposal-cont.

- Also included:
 - A provision to create 2024-25 as the new funding floor
 - \$373 million in general obligation bonds for 18 continuing construction projects (6 for LACCD)

SCFF Funding Floor

Governor's Student Centered Funding Formula Proposal

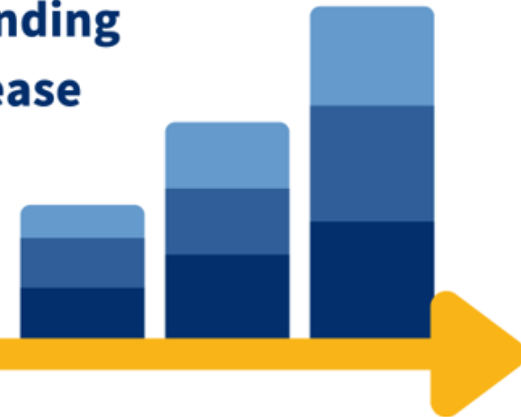
**Districts
Would
Always
Receive
the
Highest
Funding
Option**

- SCFF Metrics
- One-year Stability
- Funding Floor

Predictability & Stability

Provides Districts a Funding Floor That Won't Decrease

2024-25 Funding Floor



2022-23 Budget Additions impact to LACCD operational budgets-ongoing

Description	Signed Budget 2021-22		Governor's January Proposal 2022-23	
	System	LACCD	System	LACCD
General Fund				
Increased Access (0.5% in FY22-23; 0.5% in FY21-22) ^[1]	23,800,000	2,000,000	24,900,000	2,100,000
COLA (5.33% in FY22-23; 5.07% in FY21-22) ^[1]	371,200,000	32,600,000	409,400,000	35,100,000
Part time Health Insurance Program ^[2]	-	-	200,000,000	1,200,000
Apprenticeship	15,000,000	140,000	-	-
SCFF Adjustment	-	-	3,000,000	CCCCO
Total Ongoing Base Increase	410,000,000	34,740,000	637,300,000	38,400,000
Categorical/Restricted				
COLA for certain categoricals ^{[1] [3]}	29,200,000	2,500,000	51,300,000	4,400,000
Access to online tech and mental health ^[1]	30,000,000	2,600,000	-	-
Online ed infrastructure ^[1]	10,600,000	900,000	-	-
Dreamer Resource Liaisons & support services ^[1]	5,800,000	500,000	-	-
Student Success Completion Grant (Cal Grant)	-	-	100,000,000	student grant
Modernize technology ^[1]	-	-	25,000,000	2,100,000
Financial Aid Admin ^[1]	-	-	10,000,000	900,000
Next Up Program	-	-	10,000,000	grant?
Equal Employment Opportunity	-	-	10,000,000	grant?
A2MEND	-	-	1,100,000	grant?
Library Services Platform ^[1]	4,000,000	300,000	-	-
Increased cost for broadband by CENIC	8,000,000	CCCCO	-	-
Full Time Faculty ^[1]	100,000,000	8,600,000	-	-
Targeted student support services ^[1]	-	-	-	-
Umoja	5,000,000	400,000	-	-
Puente	7,000,000	600,000	-	-
MESA	8,000,000	700,000	-	-
EOPS	20,000,000	1,700,000	-	-
SEA	24,000,000	2,100,000	-	-
Strong Workforce ^[1]	42,400,000	3,600,000	-	-
part time office hours ^[1]	10,000,000	900,000	-	-
Rising scholars program ^[1]	10,000,000	900,000	-	-
Increase support for HBCU transfer ^[1]	1,300,000	100,000	-	-
Integrated Basic Needs Centers ^[1]	30,000,000	2,600,000	-	-
Total Ongoing Categorical/Restricted	345,300,000	29,000,000	207,400,000	7,400,000

2022-23 Budget Additions impact to LACCD operational budgets-one time

Description	Signed Budget 2021-22		Governor's January Proposal 2022-23	
	System	LACCD	System	LACCD
Other/one time				
Emergency Assistance grants for Students	250,000,000	student grant	20,000,000	student grant
Student housing/basic needs ^[2]	100,000,000	8,600,000	-	-
Support retention and enrollment ^[2]	100,000,000	8,600,000	150,000,000	12,900,000
Faculty professional development ^[2]	20,000,000	1,700,000	-	-
Zero Textbook Cost pathways	115,000,000	grant	-	-
Instructional Materials-Dual Enrollment ^[2]	2,500,000	200,000	-	-
AB1460 implementation and anti-racism initiatives	5,600,000	CCCCO	-	-
Deferred Maintenance & Instru Supply ^[2]	511,000,000	43,800,000	387,600,000	33,200,000
Guided Pathways (FY23 health care focused)	50,000,000	grant	130,000,000	grant
Modernize technology			75,000,000	CCCCO
Implement transfer reforms AB 928			65,000,000	CCCCO
Equal Employment Opportunity Programs ^[2]	20,000,000	1,700,000	-	-
High Road Training Partnerships	10,000,000	grant	-	-
Regional Equity&Recovery partnerships	10,000,000	grant	-	-
Competency-Based Education	10,000,000	CCCCO	-	-
Common Course Numbering	10,000,000	CCCCO	105,000,000	CCCCO
CCC Registry Modernization	1,000,000	CCCCO	-	-
Program pathways mapping technology			25,000,000	CCCCO
Pathways grant high skilled careers			20,000,000	grant
Teacher Credentialing Partnership program			5,000,000	grant
Umoja best practices			200,000	CCCCO
Part time office hours ^[2]	90,000,000	7,700,000	-	-
LGBTQ+ support centers	10,000,000	grant	-	-
Pay off deferral	1,453,200,000	CCCCO	-	-
Other Technical Changes	29,400,000	CCCCO	-	-
Total Other/One Time	2,797,700,000	72,300,000	982,800,000	46,100,000
Grand Total	3,553,000,000	136,040,000	1,827,500,000	91,900,000

^[1] assumes distribution is based on the proportional share of LACCD Total Computational Revenue to the State system, currently 8.6%.

^[2] assumes full reimbursement of LACCD costs.

^[3] COLA to CalWORKS, Childcare, DSPS, EOPS, Mandated Block Grants, Apprenticeship, Adult Ed

LACCD Unrestricted GF 5 year Financial Forecast

Scenario 1: college projections	<i>Hold Harmless</i>					SCFF Calc-Floor
	2020-21 Actual	2021-22 Projected	2022-23 Projected	2023-24 Projected	2024-25 Projected	2025-26 Projected
TOTAL RESOURCES	\$ 711,532,896	\$ 738,992,561	\$ 775,368,918	\$ 797,846,943	\$ 824,228,585	\$ 824,228,585
TOTAL EXPENDITURES	\$ 703,090,326	\$ 746,965,111	\$ 789,994,451	\$ 815,655,668	\$ 844,027,960	\$ 850,826,314
NET REVENUES LESS EXPENDITURES	\$ 8,442,570	\$ (7,972,550)	\$ (14,625,533)	\$ (17,808,725)	\$ (19,799,375)	\$ (26,597,729)
FUND BALANCE						
Beginning Fund Balance (includes PY adj)	\$ 140,932,394	\$ 151,392,337	\$ 143,419,787	\$ 128,794,254	\$ 110,985,529	\$ 91,186,154
Net Revenues Less Expenditures	8,442,570	(7,972,550)	(14,625,533)	(17,808,725)	(19,799,375)	(26,597,729)
Ending Fund Balance	149,374,964	143,419,787	128,794,254	110,985,529	91,186,154	64,588,424
<i>Fund Balance % of Expenditure Budget</i>	21.2%	19.2%	16.3%	13.6%	10.8%	7.6%

LACCD SCFF Budget Impact

	Hold Harmless Provision	
	2020-21 Actual	2021-22 Projected
Revenue Earned	\$ 599,859,110	\$ 599,137,493
Revenue Received	\$ 642,545,651	\$ 675,122,716
Hold Harmless	\$ 42,686,541	\$ 75,985,222

	Funding Floor
	2025-26 Projected
Revenue Earned	\$ 716,046,654
2024-25 Floor	\$ 759,178,241
Below Floor	\$ 43,131,587

LACCD HEERF PROGRAM ALLOCATIONS & AVAILABLE BALANCE

All HEERF Programs End on May 11, 2022

HEERF I					
Student Portion			Institutional Portion		
College	Allocation	Balance	College	Allocation	Balance
LACC	2,900,649	1	LACC	2,296,623	98,593
ELAC	6,978,069	-	ELAC	3,818,975	-
LAHC	1,733,962	3,173	LAHC	1,172,178	43,410
LAMC	2,144,932	1,829	LAMC	795,552	11,171
LAPC	4,586,274	-	LAPC	3,108,522	55,351
LASC	1,625,833	-	LASC	597,021	11,744
LATTC	3,700,035	-	LATTC	1,424,195	-
LAVC	4,530,422	-	LAVC	1,624,202	3
WLAC	1,582,370	-	WLAC	633,440	18,002
Total	\$ 29,782,546	\$ 5,003	Total	\$ 15,470,708	\$ 238,274

HEERF II					
Student Portion			Institutional Portion		
College	Allocation	Balance	College	Allocation	Balance
LACC	3,360,292	406,571	LACC	8,703,795	200,811
ELAC	11,014,642	944,342	ELAC	15,547,392	2,696,105
LAHC	1,548,543	75,130	LAHC	4,724,378	159,295
LAMC	1,767,874	132,510	LAMC	5,635,591	430,761
LAPC	4,038,598	388,901	LAPC	11,950,076	4,767,032
LASC	1,146,587	171,087	LASC	4,167,783	821,632
LATTC	2,714,024	-	LATTC	9,873,350	3,143,936
LAVC	3,749,517	3,155	LAVC	9,757,868	766,638
WLAC	1,807,375	209,375	WLAC	3,961,367	1,149,948
Total	\$ 31,147,452	\$ 2,331,071	Total	\$ 74,321,600	\$ 14,136,157

HEERF III					
Student Portion			Institutional Portion		
College	Allocation	Balance	College	Allocation	Balance
LACC	11,560,529	5,033,459	LACC	11,006,413	6,475,064
ELAC	24,613,997	10,084,487	ELAC	24,166,955	14,829,039
LAHC	5,589,577	3,308,177	LAHC	5,126,913	1,316,137
LAMC	6,364,516	3,392,916	LAMC	5,943,784	4,381,292
LAPC	15,088,738	9,123,448	LAPC	14,548,506	11,168,543
LASC	4,833,540	3,272,144	LASC	4,555,399	3,387,987
LATTC	12,238,558	7,153,097	LATTC	12,120,351	9,942,573
LAVC	12,909,620	6,129,340	LAVC	11,959,680	8,004,209
WLAC	5,447,215	2,806,715	WLAC	4,627,773	1,996,732
Total	\$ 98,646,290	\$ 50,303,783	Total	\$ 94,055,774	\$ 61,501,574

MSI		
Institution		
College	Allocation	Balance
LACC	2,330,823	1,989,404
ELAC	4,977,419	3,219,867
LAHC	1,159,174	621,632
LAMC	1,302,768	1,094,348
LAPC	3,079,401	2,009,468
LASC	1,098,420	1,098,420
LATTC	2,397,861	2,065,592
LAVC	2,583,986	2,185,297
WLAC	1,098,043	948,169
Total	\$ 20,027,895	\$ 15,232,197

Districtwide Cost Transfer	
LACC	1,689,806
ELAC	1,578,466
LAHC	739,342
LAMC	486,491
LAPC	1,558,755
LASC	649,353
LATTC	1,540,912
LAVC	1,653,992
WLAC	737,918
Total	10,635,035

Combined HEERF Programs					
Student Portion			Institutional Portion		
College	Allocation	Balance	College	Allocation	Balance
LACC	17,821,470	5,440,031	LACC	24,337,654	8,763,871
ELAC	42,606,708	11,028,829	ELAC	48,510,741	20,745,011
LAHC	8,872,082	3,386,480	LAHC	12,182,643	2,140,474
LAMC	10,277,322	3,527,255	LAMC	13,677,695	5,917,572
LAPC	23,713,610	9,512,349	LAPC	32,686,505	18,000,394
LASC	7,605,960	3,443,231	LASC	10,418,623	5,319,783
LATTC	18,652,617	7,153,097	LATTC	25,815,757	15,152,101
LAVC	21,189,559	6,132,495	LAVC	25,925,736	10,956,147
WLAC	8,836,960	3,016,090	WLAC	10,320,623	4,112,850
Total	\$ 159,576,288	\$ 52,639,857	Total	\$ 203,875,977	\$ 91,108,202

- Notes:
1. Committed/Encumbered funds are accounted for as expended
 2. All balances are as of January 24, 2022
 3. HEERF I & II Student Portion includes transfers from Institution
 4. HEERF II/III balance already adjusted for Facilities Costs



LOS ANGELES COMMUNITY COLLEGE DISTRICT

AP 6200 Budget Preparation

References:

Education Code Section 70902 subdivision (b)(5);

Title 5 Sections 58300 et seq.;

ACCJC Accreditation Standard III.D

Chancellor's Budget

The Chancellor shall submit to the Board of Trustees a budget reflecting his/her recommendations for the District's educational plan in terms of the planned expenditure of fiscal resources.

Tentative Budget

The Tentative Budget shall be prepared in accordance with the approved Budget Calendar, presented for adoption at a regular meeting of the Board, and filed with the County Office of Education on or before July 1. The Tentative Budget provides budgetary authorization at the start of the fiscal year. Following adoption of the Tentative Budget, but no earlier than May 15, up to fifty (50%) percent of any appropriation in the Tentative Budget, and up to one hundred (100%) percent of designated appropriations may be encumbered or expended. Upon adoption of the Final Budget, all appropriations may be encumbered or expended as authorized.

Final Budget

On or before the 15th of September, the Board shall adopt and file such Budget with the County Superintendent of Schools on the appropriate State forms.

A Public hearing will be held during or prior to the adoption of the Final Budget and at which any taxpayer in the District may appear and object to the proposed Budget or any item in the Budget.

District Allocation Model

The LACCD Allocation Model is designed to distribute General Fund Unrestricted resources which supports the basic operations and mission of the District. The model was developed with the following guidelines.

Funding Principles

- Aligns with the State's Student Centered Funding Formula (SCFF) in support of student access, equity and success.



LOS ANGELES COMMUNITY COLLEGE DISTRICT

- 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 2018-19, the basic allocation base rate is:

- | | | |
|-------------------------------|-------------|----------------|
| • FTES \geq 20,000 | \$4,866,469 | large college |
| • 10,000 \leq FTES < 20,000 | \$4,258,160 | medium college |
| • FTES < 10,000 | \$3,649,851 | small college |

For fiscal year 2018-19, the FTES allocation rates are:

- | | |
|------------------------------|---------|
| • Credit | \$3,727 |
| • Special Admit Credit | \$5,457 |
| • Incarcerated Credit | \$5,457 |
| • Non-Credit | \$3,347 |
| • Non-Credit Enhanced (CDCP) | \$5,457 |

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 2018-19, the Supplemental Allocation rates are:

- | | |
|------------------------------------|-------|
| • Pell Grant Recipients | \$919 |
| • College Promise Grant Recipients | \$919 |



LOS ANGELES COMMUNITY COLLEGE DISTRICT

- AB 540 students \$919

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 2018-19, the Student Success Allocation rates are:

- Associate degree for transfer (ADT) \$440
- Associate degree granted \$440
- Baccalaureate degree granted \$440
- Credit certificate granted \$440
- Transfer-level Math or English course \$440
- Transfer to four-year university \$440
- Completion of nine or more CTE units \$440
- Attainment of regional living wage \$440

For fiscal year 2018-19, the Equity Allocation rates are:

- Associate degree for transfer (ADT) \$111
- Associate degree granted \$111
- Baccalaureate degree granted \$111
- Credit certificate granted \$111
- Transfer-level Math or English course \$111
- Transfer to four-year university \$111
- Completion of nine or more CTE units \$111
- Attainment of regional living wage \$111

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,



LOS ANGELES COMMUNITY COLLEGE DISTRICT

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.



LOS ANGELES COMMUNITY COLLEGE DISTRICT

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:

- i. 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).
- ii. 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.



LOS ANGELES COMMUNITY COLLEGE DISTRICT

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.



LOS ANGELES COMMUNITY COLLEGE DISTRICT

11. The budget allocation will be recalculated using this mechanism at Final Budget, First Principal Apportionment (February), and at year-end.

[Also see BP 6200 Budget Preparation, BP/AP 6250 Budget Management, BP/AP 6300 Fiscal Management, AP 6305 Reserves, AP 6310 Accounting, and AP 6315 Warrants.](#)



LOS ANGELES COMMUNITY COLLEGE DISTRICT

AP 6305 Reserves

Reference:

**Budget and Accounting Manual, Chapter 5; Appendix A
District Allocation Model**

Reserve Standards

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%).



LOS ANGELES COMMUNITY COLLEGE DISTRICT

AP 6320 Investments

References:

Government Code Sections 53600 et seq.

The Vice Chancellor/Chief Financial Officer is responsible for investing the funds of the District that are not required for the immediate needs of the District. Funds so invested shall follow the investment policy approved by the Governing Board in accordance with the Government Code Sections cited above and the following:

- Funds that are not required for the immediate needs of the District shall be prudently invested in order to earn a return on such investment.
- The preservation of principal is of primary importance. Each transaction shall seek to ensure that capital losses are avoided, whether from securities or erosion of market value.
- The investment program should remain sufficiently flexible to enable the District to meet all operating requirements that may be reasonably anticipated in any fund. After preservation of principal, liquidity is the objective.
- In managing District investments, District officials should avoid any transactions that might impair public confidence.
- Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived. (See Government Code Section 53600.6 regarding solvency and creditworthiness.)

District funds maintained by the County Treasurer that are not required for the immediate needs of the District may be invested as follows:

- County Treasurer's Investment Pool. Investment of District funds may be delegated to the County Treasurer. In accordance with county procedures, District funds may be pooled with other local agencies and invested by the County Treasurer in accordance with the investment guidelines specified by Government Code Section 53635 and investment policies adopted by the County Board of Supervisors.
- State's Local Agency Investment Fund (Government Code Sections 16429.1-16429.3). District funds not required for immediate needs of the District may be remitted to the State Local Agency Investment Fund (LAIF) for the purpose of investment (Government Code Section 16429.1). District funds deposited with the LAIF shall be invested by the State Treasurer in securities prescribed by Government Code Section 16430, or the Surplus Money Investment Fund and as determined by the Local Investment Advisory Board (Government Code Section 16429.2).



LOS ANGELES COMMUNITY COLLEGE DISTRICT

- Other Investments - Other investments as permitted by Government Code Sections 53600 et seq., and in particular Government Code Sections 53601, 53601.8, 53635, and 53635.8 may be made by Vice Chancellor/Chief Financial Officer subject to prior approval of the Governing Board.

Also see BP 6320 Investments.



LOS ANGELES COMMUNITY COLLEGE DISTRICT

AP 6400 Financial Audits

References:

Education Code Sections 84040 subdivision (b), 84040.5, and 81644;
Title 5 Section 59102;
ACCJC Accreditation Standard III.D.7

On or before April 1 of the fiscal year, the Board shall approve the selection of an auditor who shall be a certified public accountant licensed by the California State Board of Accountancy.

An auditing firm's contract shall be for *no* longer than five (5) years. The audit shall include all funds under the control or jurisdiction of the District. The audit shall identify all expenditures by source of funds and shall contain:

- A statement that the audit was conducted pursuant to standards and procedures developed in accordance with Education Code Section 84040.5, and
- a summary of audit exceptions and management recommendations.

Audit reports for the preceding fiscal year must be presented to the Board and submitted to the California Community Colleges Chancellor's Office by December 31.

Also see [BP 6400 Financial Audits](#).

Estimated Fall 2022 Regular Faculty FTEF Hires Required

(February 7, 2022)

<u>Line</u>		<u>Total</u>
1	Fall 21 FON Full-Time Faculty FTE Submitted to State	1439.3
2	"Late" Separations applied to Fall 21 FON	15.0
3	Rough Estimate of "Early" 2022 Separations ^^	36.0
4	Estimated FTEF Adjusted for Separations (Line 1 minus Line 2 & 3)	1388.3
5	Current Projected Spring/Fall 2022 College Credit Hires I	78.0
6	Estimated FTEF Fall 2022 FTEF (Only Current Projected Hires Included)	1466.3
7	Estimated COMPLIANCE Fall FON 2022 (Assumes Equal to Fall 22 Advance Amount) ^, *	1466.8
8	Rough Estimate of Additional Projected Required to Meet Line 7 Amount (Line 7 minus line 6)*	0.5
9	Rough Estimate of Total Hires Required to Meet Estimated Compliance Number (Line 5 plus Line 8)*	78.5

I Based on Notice of Intent to hire received by HR from campuses as of February 7, 2021.

Includes: 21 Spring 2022 Hires, Spring 2022 NOIs not yet filled: 27, Fall 2022 NOIs: 30

^ Final Compliance number depends on increase/decrease in 21-22 FTES.

* State Chancellor's Office will add hires associated with \$8.9 M into the Fall 2022 FON P2 Calculation. As the compliance FON is the lower of the Advance amount and the P2, the hires associated with the \$8.9 million will mostly likely impact the Fall 2023 FON.

^^ Total to be at least 19 due to faculty retirees in December 2021 associated with SRP 2.