

Membership

Academic Senate

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

Faculty Guild

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

Unions/Association

Tom Aduwo
Hazel Alonzo
Mary-Jo Apigo
Kathleen Becket
Harry Ziogas
Vacant-Build & Trade

College Presidents

Seher Awan
Luis Dorado **
Mary Gallagher
Barry Gribbons
James M. Limbaugh
Alexis Montevirgen
Monte Perez*
Albert Román
Katrina VanderWoude

STUDENT TRUSTEE REPRESENTATIVE

vacant

* Co-chairs

**Interim

District Budget Committee

Jun 9, 2021

1:30 pm – 3:30 pm

Zoom Meeting

<https://laccd.zoom.us/j/92301444718>

Meeting ID: 92301444718

One tap mobile

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1. Call to Order (*Monte Perez*)
2. Approval of Agenda
3. Approval of Minutes for May 12, 2021
4. Chancellor's Remarks/Updates
5. ECDBC Reports and Recommendations - NONE
6. Enrollment Update & Reporting (Cornner)
7. FON Update (Gutierrez)
8. Financial Recovery Plan Presentation – Pierce College
9. Financial Recovery Plan Presentation – Harbor College
10. 2021-22 Budget Update (if available) (Gordon)
11. 2020-21 Year End Balance Projection – by location (Gordon)
12. 2021-22 Proposed DBC/ECDBC dates (Gordon)
13. Election of Faculty DBC Co-Chair (Waddell)
14. DBC Recommendations to the Chancellor
15. Items to Be Addressed by ECDBC
16. Other Business

Future DBC Meetings: tbd

Future ECDBC Meetings: June 25

Archived documents can be found on the DBC website:

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

District Budget Committee Meeting Minutes
 May 12, 2021
 1:30-3:30 p.m., Zoom Meeting

Roll Call X Indicates Present

Academic Senate

Glen Baghdasarian	X
Angela Echeverri	X
Jeffrey Hernandez	X
Robert L. Stewart Jr.	X
Eddie Tcherchian	X
Joshua Wentz	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	X
Mary-Jo Apigo; Local 911 Teamster	X
Kathleen Becket; SEIU Local 99	
Hazel J. Alonzo; Local 1521A	X
Harry Ziogas; Class Mgmt. Rep	X
Vacant-Build & Cost Trade	

College Presidents

Seher Awan	X
Luis Dorado**	X
Mary Gallagher	X
Barry Gribbons	X
James M Limbaugh	X
Alexis Montevirgen	X
Monte E. Perez*	
Albert Román	X
Katrina VanderWoude	

Student Trustee Rep

Elias Geronimo	X
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* DBC CO-chairs

** Interim

Also Present

Resources

Ryan Cornner
 Jeanette L. Gordon
 Mercedes Gutierrez
 Deborah La Teer
 Carmen Lidz
 Melinda Nish
 Francisco C. Rodriguez

Guests

Araceli Aguiar
 Tom Anderson
 Myeshia Armstrong
 Silvia Barajas
 Grace Chee
 Anthony Cuomo
 Charles V. Daniel
 Amanda Gong

Guests

Robert Gonzalez
 Daniel Hall
 Kevin Jeter
 Greg Mazzarella
 Jose Mendoza
 Rasel Menendez
 Asha Omar
 Maury Pearl

Guests

Laura Ramirez
 Mike Reese
 Reagan Romali
 Pamela Sanford
 Rolf Schleicher
 Bob Suppelsa
 Shawn Tramel
 Hao Xie

1. **Call to Order** - at 1:32 p.m. by Joanne Waddell
2. **Approval of Agenda** – The Items on the Agenda were approved. Motion to add *Faculty Co-Chair Election notice* was approved
3. **Approval of Minutes** - The minutes of the March 10, 2021 meeting were approved.
4. **Chancellor's Remarks/Updates**
 - Special appreciation to Staff and Faculty that have been working on-site providing support to our students on-campus and delivering support on the mission of education. Encourages everyone to get vaccinated with the goal of returning in the Fall with 50% of in person instruction and support services. LACCD is mandated to contract trace for the next few years.
 - LACCD colleges have received Covid-19 aid from Federal, State, and Local sources. These funds will be used to make up the loss of revenue and to support the reengagement on our colleges in the areas of ventilation, cleaning and disinfecting, physical barriers, to support water and hydration systems.
 - We are experiencing 16% to 18% overall loss in enrollment, but continue to be held harmless by the State through 2023-24, but need to focus on making up this enrollment loss.
 - LACCD did not slow down advocacy through our Federal, State and Local advocates to support the basic needs of our students. Some areas of focus are Cal Grant changes, LGBTQ resources and support, Ethnic Studies faculty resources.
 - As part of overall framework for racial equality and social justice, this past month held conversations with the LBGTO advisory committee, Black and African American student affairs, initiated a formal advisory committee on Mexican-American, Central-American, and Latino Affairs. Encourages everyone to attend the 3rd annual LGBTQ and the 11th annual Black graduation celebrations happening later this month. Later this week, the meeting with the Asian Pacific Islander advisory committee with a presentation on ways to stop the violence and stop the hate against the API community.
 - The District will be sending out a survey to everyone regarding analyzing and assessing our campus safety and security needs.
 - Reminds us that in March of 2023 the District and Colleges will participate in ACCJC accreditation.
5. **ECDBC Reports and Recommendations**
 - None, the meeting scheduled for April 27, 2021 was canceled.
6. **Enrollment Update & Reporting (Corrner)**
 - Comparing Summer 2021 (5/11/21) to Summer 2019 as of Day 34 of the semester, the District as a whole. Headcount is 81%, enrollment at 78% which is comparable to what was seen in Spring semester.
 - An Interact marketing campaign is scheduled to begin May 14, 2021 targeting both returning and new students.
7. **FON Update (Gutierrez)**
 - Currently projecting 32 critical credit faculty hires for Spring/Fall 2021. The District is projecting to be 38.3 over the FON.
 - SRP update – additional 72 applicants (27 faculty), bring the total to 349 employees who participated in the 2020 SRP.

8. Information Request – Lecture Capture/Hybrid Classroom report

- A presentation was given by Carmen Lidz on the Lecture Capture/Hybrid Classroom Solution
- Concerns were raised regarding the budget impacts of new technology implementations and the communications regarding these implementation decisions.

9. 2021-22 Budget Update (Gordon)

- No updates

10. 2021-22 Year End Balance Projection - 3rd Qtr 311 Report (Gordon)

- The District is projecting \$120.7 million (17.1%) ending balance of June 30, 2021.

11. 2021-22 Proposed Tentative Budget (Gordon)

- The 2021-22 Proposed Tentative Budget is based upon the Governor's January Budget, changes can be expected between Tentative and Final Budget. The Proposed Tentative Budget is the authorization for the District to do business on July 1st.
- The 2021-22 Proposed Tentative Budget will be presented to the Budget and Finance Committee meeting on May 19, 2021, and to the Board for approval on June 3, 2020.
- A training session on the budget will be scheduled.

12. FIT team updates (Gordon)

- The four Fiscal Intervention Teams met. Los Angeles Harbor Colleges and Los Angeles Pierce College will be presenting their revised Financial Recovery Plan to the DBC Committee on June 9, 2021.
- Los Angeles Mission College is currently in process, Los Angeles Southwest College pending approval from the Chancellor.

13. DBC Recommendations to the Chancellor

- Present the 2021-22 Tentative Budget

14. Items to Be Addressed by ECDBC

- None

15. Other Business

- Faculty Co-Chair Election Notice

The meeting was adjourned at 3:30 p.m.



CITY
EAST
HARBOR
MISSION
PIERCE
SOUTHWEST
TRADE-TECH
VALLEY
WEST

DATE: June 4, 2021
TO: District Budget Committee
FROM: Jeanette L. Gordon
Chief Financial Officer/Treasurer
SUBJECT: 2020-21 District Financial Accountability Measures – Pierce College

The new District Accountability Measures approved by the Board in July 2020, call for colleges that end the fiscal year with a deficit to develop an action plan developed through the established participatory governance process. In 2019-20, Pierce College ended the year with a 1.9% deficit, placing them in the second level of the accountability measures, calling for the college to present an action plan to a Fiscal Intervention Team (FIT). Pierce College met with the FIT team (members listed below) on February 19, 2021 to present their plan (Attachment I) after which the team discussed and developed additional questions (Attachment II). The FIT team met again on April 28, 2021 to review the college response (Attachment III) and s to the college to present (in tabular form) their strategies for bringing the college operations within budget, the savings per strategy as well as the timeline for the savings.

c: Francisco C. Rodriguez, Ph.D.
Melinda Nish
Rolf Schleicher
Donna Mae Villanueva
Ryan Cornner
Deborah La Teer

FIT Team
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770 Wilshire Blvd.
Los Angeles, CA 90017

Pierce College

Financial Recovery Plan

FY 2020-21

Executive Summary

Over the last few years, the college has undergone a number of changes as it contends with its fiscal challenges. Demand for services and operating costs continue to go up at a time of declining enrollment. In response, during the last two years the college has invoked a presidential taskforce out of the Budget Committee in an attempt to better understand and address the needs of the college in comparison to its annual allocation. We have had some level of success in controlling costs but recognize more effort is needed in all areas to balance expenditures against our allotted annual budget.

The college's final budget allocation (without ending balances and open orders) going back to 2010-11 shows the college has been consistently allocated less funding than its internal planning required to meet FTES targets and associated total operating expenses on a year-to-year basis. As a result of this planning, the college has been operating with a structural deficit for more than a decade. The college shared this data, and the criteria data noted in the accountability measures, with the Budget Committee and Taskforce FIT team. Again, the intent is to help change expectations and incorporate an even more collaborative approach that will require planning changes into the Strategic Master Plan and into our campus budget planning cycles.

Historically, the college covered the shortfall between allocation and operating expenses by building up the operating surplus (ending balances) from growth revenue as it managed to increase FTES over a sustained period of time. It was forced to start spending down its accumulated ending balances when enrollment started to decline in the 2017-18 fiscal year.

The ending balance was, among other factors, built on sustained enrollment growth starting in 2012-13 to 2016-17 during which enrollment increased by 13% from 13,868 FTES to 15,633. Starting in 2017-18 enrollment declined 11% from 15,633 FTES to 13,885 FTES and the ending balance declined by 47% from \$11,582,671 to \$6,093,280.

We grew our ending balances when we were increasing FTES, which was until the end of 2016-17. Starting in 2017-18 with the sharp drop in FTES coupled with additional hiring of labor, higher labor costs and reduced SFP offsets began to impact our General Fund expenditures.

These developments, without significant process efficiency changes, began to erode the campus reserves culminating in the deficit we are projecting for the 2020-21.

In 2012, the District adopted a new funding allocation model which reduced the college’s base allocation by approximately \$1million. Also, the implementation of new fiscal policies, in effect, changed the type of fiscal prudence that had helped to contribute to the growth of the college’s ending balances.

Regardless of the past, the college is focused on moving forward in its planning to become more aligned with the realities of the annual allocation, the benefits of SCFF, better grant and enterprise development, and the implementation of process efficiencies. The discrete management of labor hiring must be the cornerstone of our budget management to prevent unsustainable escalations in such costs. The aggregate of this planning will help to ensure a more fiscally stable student-centric college that will effectively manage its resources within the annual allocation.

Responses to Attachment 1 Accountability Measures

1. Deficit Spending

a. Is the college spending more than 1% of its revenue budget over multiple years?

Per table 1.a.i. below, which shows Pierce’s budget revenue allocation plus positive ending balances, 2019-20 is the first year Pierce has recorded a deficit of more than 1%, bearing in mind that the revenue budget figures shown include the college’s accumulated ending balances. However, table 1.a.ii., which only reflects the total revenue allocation without positive ending balances, illustrates a college deficit spending pattern for over a decade.

Revenue and Deficit Trends (Unrestricted General Funds)

Table 1.a.i:

<u>Budget Allocation +Ending Balance/(Deficit)</u>	2015-16	2016-17	2017-18	2018-19	2019-20
YE Budget/Revenue	80,947,029	81,522,958	78,849,658	77,941,395	78,690,596
Total Expenditure	70,308,524	76,027,704	76,188,104	78,598,759	81,600,194
Surplus/(Deficit)	10,638,505	5,495,254	2,661,554	(657,364)	(2,909,598)
Surplus/(Deficit %	13.14%	6.74%	3.38%	-0.84%	-3.70%

Table 1.a.ii:

Budget Allocation Excluding Ending Balances

	2015-16	2016-17	2017-18	2018-19	2019-20
Budget Allocation*	69,329,989	70,546,124	72,756,389	75,348,531	78,690,596
Total Expenditure	70,308,524	76,027,704	76,188,104	78,598,759	81,600,194
Surplus/(Deficit)	(978,535)	(5,481,580)	(3,431,715)	(3,250,228)	(2,909,598)
Surplus/(Deficit %	-1.41%	-7.77%	-4.72%	-4.31%	-3.70%

** This is year-end budget without beginning balance/open orders and represents college unrestricted budget allocation plus all budget adjustments throughout the year less prior year carry forward and balance-related adjustments.*

Per table 1.a.ii, the college’s annual operating expenditures have exceeded 1% of its annual revenue budget allocation less the carry forward surplus/ending balance for more than just the five years reviewed. So, minus ending balances, the college has been deficit spending on operations on an annual basis for more than ten consecutive years based on this metric.

1. Deficit Spending

b. Is the deficit spending addressed by ending balances, college reserves, or built-in growth revenue?

Yes, the college has used ending balances, college reserves and built-in growth revenues to address the structural deficit arising from years of being annually allocated less funding than required to cover operating expenses. While the college had ending balances, the ongoing structural deficit was less visible due to ending balance commingled with the annual allocation. Going forward, the college will be reporting our accountability criteria metrics bi-annually through our participatory governance meetings to ensure all constituents are aware of our year-to-year fiscal performance at this new level of reporting.

Instructional Measures

1.c.i. Is teaching faculty productivity (FTES/FTEF) greater than or equal to 510?

No, since the end of the 2018-19 fiscal year the college’s WSCH per FTES has dropped below 510 primarily due to a sharp decline in enrollment. In 2016-17 FTES was at 15633 but by 2018-19 it had declined to 13776. This trend is reflected in the table below of teaching productivity at Pierce over the last five years.

Table 1.c.i:

Teaching Productivity (WSCH per FTES \$)

	2015-16	2016-17	2017-18	2018-19	2019-20
LAPC	561	544	513	502	508
LACCD Avg	536	518	489	493	490
Variance (\$)	25	26	24	9	18
Variance (%)	4.66%	5.02%	4.91%	1.83%	3.67%

1.c.ii. Is average class size greater than or equal to 34?

Average class size for Pierce over the six-year period under review is 34.8 which is 2.3 students per class higher than the District average of 32.8 for the same period. Nonetheless class size at Pierce has declined by 6.3 students from fall 2015 to fall 2020 which is negatively impacting instructional costs. The table below charts average class size trends for the period.

Table 1.c.ii:

Average class size

	Fall 2015 - 2020							Change	Avg.	%
	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020				
LAPC	37.9	36.7	34.6	33.8	34.3	31.6	6.3	34.8	16.6%	
LACCD Avg.	35.2	34	32.1	32.3	32.1	29.3	5.9	32.5	16.8%	
Variance	2.7	2.7	2.5	1.5	2.2	2.3				
Variance (%)	7.7%	7.9%	7.8%	4.6%	6.9%	7.8%				

Instructional Measures Continued

1.c.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, medium, or large colleges within LACCD and the statewide average?

Pierce total instructional costs per FTES at \$4,058 is slightly higher than the peer average of \$3,982 (1.9%) for medium sized colleges and the districtwide average of \$3,967 (2.3%). The college fares better with total non-instructional costs which is 3.7% lower than its peers (\$1,738 to \$1,805) and 48.5% lower than the districtwide average (\$1,738 to \$3,376).

It should be noted that the districtwide average is skewed by the proportion of total institutional support expenses borne by the ESC relative to the colleges and ITV. Pierce total instructional and non-instructional costs per FTES are 0.1% higher than its peers at (\$5,796 to \$5,788) and 21.1% lower than the districtwide average (\$5,796 to \$7,343).

Table 1.c.iii below details the foregoing summary. We do not have numbers for the statewide average so we cannot compare Pierce averages to the statewide numbers.

Table 1.c.iii.a:
Comparative Costs Per FTES (2019-20)

Functional Area	LACC	LAVC	LAPC	Peer Avg.	LACCD Avg.	Variance	
						Peer	LACCD
Instruction	3,706	3,378	3,574	3,553	3,501	0.6%	2.1%
Instructional Support	137	218	193	183	254	5.7%	-24.0%
Instructional Services	<u>272</u>	<u>178</u>	<u>291</u>	<u>247</u>	<u>212</u>	<u>17.8%</u>	<u>37.3%</u>
Total Instruction	4,115	3,774	4,058	3,982	3,967	1.9%	2.3%
Student Services	497	498	495	497	497	-0.3%	-0.4%
M & O	926	687	746	786	778	-5.1%	-4.1%
Institutional Support	421	531	337	430	1,778	-21.6%	-81.0%
Other Services	<u>22</u>	<u>96</u>	<u>160</u>	<u>93</u>	<u>323</u>	<u>72.7%</u>	<u>-50.5%</u>
Total Non-Instruction	1,866	1,812	1,738	1,805	3,376	-3.7%	-48.5%
Total	5,981	5,586	5,796	5,788	7,343	0.1%	-21.1%

Table 1.c.iii.b:
LAPC Cost Per FTES (2015-16 to 2019-20)

Functional Area	2015-16	2016-17	2017-18	2018-19	2019-20	Change	
						\$	%
Instruction	2,701	2,858	3,282	3,463	3,574	873	32.3%
Instructional Support	140	167	175	192	193	53	37.9%
Instructional Services	<u>256</u>	<u>299</u>	<u>302</u>	<u>309</u>	<u>291</u>	<u>35</u>	<u>13.7%</u>
Total Instruction	3,097	3,324	3,759	3,964	4,058	961	31.0%
Student Services	344	411	461	479	495	151	43.9%
M & O	599	648	765	770	746	147	24.5%
Institutional Support	302	298	337	324	337	35	11.6%
Other Services	<u>172</u>	<u>182</u>	<u>164</u>	<u>168</u>	<u>160</u>	<u>-12</u>	<u>-7.0%</u>
Total Non-Instruction	1,417	1,539	1,727	1,741	1,738	321	22.7%
Total	4,514	4,863	5,486	5,705	5,796	1,282	28.4%

1.c.iv: Are administrative costs per FTES greater than or equal to average costs among small, medium or large colleges within LACCD and statewide?

Pierce administrative costs per FTES has been lower than its peer colleges and the District average over the period under review. The variance between Pierce and its peers has ranged from -16.4% to 38.4%. Against the District the variance has been from 26.2% to 38.3%. One Historically Pierce has fewer administrators per capita than its sister colleges across the District which accounts in large measure for its significantly lower administrative costs per FTES. This data is depicted by the two tables shown below.

Table 1.c.iv.a.:

Administrative Costs Per FTES 2015-16 to 2019-20

FY	LACC	LAVC	LAPC	Peer Avg.	LACCD Avg.	<u>LAPC Variance</u>	
						Peer	LACCD
2015-16	309	414	302	362	409	-16.44%	-26.16%
2016-17	335	439	298	387	440	-24.59%	-32.27%
2017-18	376	472	337	424	490	-24.03%	-31.22%
2018-19	364	501	324	433	506	-29.97%	-35.97%
2019-20	421	531	337	476	546	-38.40%	-38.28%

Table 1.c.iv.b.:

Administrative Costs 2015-16 to 2019-20

FY	LACC	LAVC	LAPC	Peer Avg.	LACCD Avg.
2015-16	4,058,936	5,552,057	4,698,643	4,805,497	12,092,317
2016-17	4,141,523	5,710,282	4,663,260	4,925,903	12,676,004
2017-18	4,191,569	5,764,858	4,674,762	4,978,214	13,262,842
2018-19	3,943,877	6,005,413	4,469,958	4,974,645	13,215,055
2019-20	4,667,343	6,371,726	4,747,631	5,519,535	14,757,252

Table 1.c.iv.b. cont'd:

FY	LAPC Variance		LACCD Total	ITV	ESC	ESC %
	Peer	LACCD				
2015-16	-2.22%	-61.14%	147,352,298	8,240	38,513,203	108,830,855 26.1%
2016-17	-5.33%	-63.21%	152,888,194	8,267	38,795,894	114,084,033 25.4%
2017-18	-6.10%	-64.75%	156,471,802	8,575	37,097,651	119,365,576 23.7%
2018-19	-10.15%	-66.18%	157,882,514	0	38,947,018	118,935,496 24.7%
2019-20	-13.98%	-67.83%	175,666,087	0	42,850,818	132,815,269 24.4%

Full Time Faculty Hiring Obligation

1.d.i. What is the college’s full-time and part-time ratio and obligation (excluding faculty over-base)?

Pierce’s full-time and part-time ratio as at fall 2020 was 51%. The college does not have a FON obligation for the current fiscal year.

College Expenditure and Staffing Trends 5 Year Review

1.e.i. Is percentage of budget allocated to salaries and benefits at or less than the districtwide average?

The percentage of total labor costs to budget allocation for Pierce is higher than its peer colleges and the districtwide average as illustrated in table 1.e.i below. Total salaries for Pierce account for 73% of allocation compared to the peer average of 69% and the districtwide average of 51%. The same pattern holds for benefits, which is 26% of allocation, while the peer average is 24% and the districtwide average is 22%. Overall labor costs at Pierce accounted for 99% of allocation and for peer colleges 93% with the districtwide average at 72%.

Table 1.e.i.a:

Labor Costs 2019-20

	LACC	LAVC	LAPC	Peer Avg.	LACCD Avg.
Certificated	32,601,054	35,336,958	42,275,837	33,969,006	292,296,275
% of Allocation	49.50%	51.85%	53.72%	50.68%	34.73%
Non-Certificated	13,223,461	11,846,318	15,395,737	12,534,890	134,333,761
% of Allocation	20.08%	17.38%	19.56%	18.73%	15.96%
Total Salaries	45,824,515	47,183,276	57,671,574	46,503,896	426,630,036
% of Allocation	69.58%	69.23%	73.29%	69.40%	50.69%
Benefits	15,824,052	15,987,046	20,512,421	15,905,549	182,037,178
% of Allocation	24.03%	23.46%	26.07%	23.75%	21.63%
Total Labor	61,648,567	63,170,322	78,183,995	62,409,445	608,667,214
% of Allocation	93.61%	92.68%	99.36%	93.14%	72.32%

In table 1.e.i.b. below the college’s expenditure trends from 2015-16 to 2019-20 reflect the growth in total labor costs highlighted in the preceding table. It also shows the college has been able to reduce non-salary and benefits expenses over the period but since this accounts for such a small proportion of total costs its bottom line impact has been insignificant.

Regular faculty labor costs increased by 23% in the period as Pierce hired new contract faculty to fulfil its FON requirement mandate. Hourly faculty costs did not decline much because when we reduce course offerings the contract requires us to offer classes in seniority order. The result is that classes are offered to the highest cost adjuncts first.

Table 1.e.i.b.:

College Expenditure Trends 2015-16 to 2019-20

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	% Change 2015-16 to 2019-20
Teaching , Reg.	16,682,916	18,919,363	18,159,069	18,903,985	20,558,873	23.2%
Non-Teaching Reg.	6,500,922	7,093,829	7,004,126	7,303,520	7,527,502	15.8%
Teaching, Hourly	14,118,033	13,326,504	13,907,508	14,151,578	13,733,846	-2.7%
Non-Teaching Hourly	469,996	470,564	465,169	424,487	455,616	-3.1%
Total Cert Sal.	37,771,867	39,810,260	39,535,872	40,783,570	42,275,837	11.9%
Classified, Reg.	10,124,678	11,985,418	12,250,958	12,234,026	12,327,919	21.8%
Inst. Aides, Reg.	1,949,357	2,056,148	1,970,769	2,013,336	2,371,533	21.7%
Sub & Relief/Unclass	781,586	625,023	555,788	449,437	382,478	-51.1%
Inst. Aid./Non Perm.	364,274	371,227	301,301	442,905	313,806	-13.9%
Total Non-Cert. Sal.	13,219,895	15,037,816	15,078,816	15,139,704	15,395,736	16.5%
Employee Benefits	13,799,310	16,135,880	17,383,364	19,148,391	20,512,421	48.6%
Total Labor Expense	64,791,072	70,983,956	71,998,052	75,071,665	78,183,994	20.7%
Books	574	3,266	8,058	6,585	0	-100.0%
Instr'l. Media Mat'l.	(8,817)	13,704	5,210	300	0	-100.0%
Supplies	496,973	472,378	304,656	166,950	144,944	-70.8%
Misc. Suppl. & Bks	10,905	24,049			0	-100.0%
Total Print & Supplies	499,635	513,397	317,924	173,835	144,944	-71.0%
Insurance	0	0	0	0	0	
Utilities & Hseking	1,850,777	2,053,595	2,160,414	2,250,823	2,066,414	11.7%
Contracts & Rentals	701,649	573,306	453,173	333,033	213,187	-69.6%
Legal, Elect, Audit	0	0	0	0	0	
Other Expense	1,250,756	1,109,197	759,526	609,119	648,370	-48.2%

Misc. Other Expenses	0	0	0	0	0	
Total Operating Expense	3,803,182	3,736,098	3,373,113	3,192,975	2,927,971	-23.0%
Buildings	0	0	174,904	0	0	
Books & Mat'l. Libraries	0	0	0	0	0	
Equipment	615,617	621,375	155,910	1,618	11,704	-98.1%
Other Capital Outlay	0	0	0	0	0	
Total Capital Outlay	615,617	621,375	330,814	1,618	11,704	-98.1%
Interfund Transfer	556,261	130,000	130,000	121,044	130,000	-76.6%
Intrafund - Unres	0	0	0	0	0	
Intrafund Transfer	42,757	41,059	38,202	37,622	32,434	-24.1%
Loans/Grants	0	0	0	0	0	
Conting/Unalloc	0	1,818	0	0	253	-86.1%
Total Others	599,018	172,877	168,202	158,666	162,687	-72.8%
Less Intrafund w/n Loc	0	0	0	0	0	
Total Unrestricted	70,308,524	76,027,703	76,188,105	78,598,759	81,600,194	16.1%

Overall, the college has seen total unrestricted general fund expenditures go up by 16% in the 5 years under review because savings from non-labor expenses were significant enough over the same period to offset the 21% increase in labor expenses.

1.e.ii. Is the college using one-time funds to pay for permanent staff or other ongoing expenses?

The college is not using one-time funds to pay the salaries and benefits expenses of permanent employees or other ongoing college expenses.

1.e.iii Are faculty, administration, and classified staffing levels comparable with other colleges within the District?

Pierce staffing levels in faculty and classified staff is consistently higher than the average for its peer colleges over the period reviewed. However, administrative staff levels at Pierce have remained consistently below the average for its peers over the same period even though it is significantly larger than both colleges.

Table 1.e.iii:**Comparative Analysis of Administrative, Classified and Faculty Staffing Levels****2015-16 to 2019-20**

<u>2015-16</u>	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	<u>Variance</u>
Administration	16	12	13	14	-7.1%
Classified	206	190	233	198	17.7%
Faculty	353	354	413	354	16.8%
Total	575	556	659	566	16.5%
<u>2016-17</u>	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	
Administration	14	15	11	15	-24.1%
Classified	225	197	249	211	18.0%
Faculty	356	363	419	360	16.6%
Total	595	575	679	585	16.1%
<u>2017-18</u>	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	
Administration	13	15	12	14	-14.3%
Classified	224	211	262	218	20.5%
Faculty	353	370	421	362	16.5%
Total	590	596	695	593	17.2%
<u>2018-19</u>	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	
Administration	15	15	12	15	-20.0%
Classified	252	247	280	250	12.2%
Faculty	350	357	417	354	18.0%
Total	617	619	709	618	14.7%
<u>2019-20</u>	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	
Administration	15	15	13	15	-13.3%
Classified	260	243	280	252	11.3%
Faculty	356	359	414	358	15.8%
Total	631	617	707	624	13.3%

1.e.iv. How do expenditures by activity (instructional, instructional services, student services, and non-instructional activities) compare with other colleges within the District?

Pierce instruction costs as a percentage of total costs are higher by 0.4% (61.7% compared to 61.3%) than its peer colleges within the District. Pierce total instruction costs are higher by 2% (70% compared to 68%) relative to the peer average. The reverse holds for total non-instruction costs with Pierce lower by 2% (30% compared to 32%) than the peer average

Table 1.e.iv.:

Expenditure by Activity/Functional Area as a % 2019-20

	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	<u>District Avg.</u>
Instruction	62.0%	60.5%	61.7%	61.3%	47.7%
Instructional Support	2.3%	3.9%	3.3%	3.1%	3.5%
Other Instructional Services	4.5%	3.2%	5.0%	3.9%	2.9%
Total Instruction	68.8%	67.6%	70.0%	68.2%	54.1%
Student Services	8.3%	8.9%	8.5%	8.6%	6.8%
M & O	15.5%	12.3%	12.9%	13.9%	10.6%
Institutional Support	7.0%	9.5%	5.8%	8.3%	24.2%
Other Services	0.4%	1.7%	2.8%	1.1%	4.3%
Total Non-Instruction	31.2%	32.4%	30.0%	31.8%	45.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1.e.v. How do the release and reassigned FTEF and expenditures such as release times for bargaining unit and departmental chair non-instructional activities compare to other colleges in the District?

As the table of the reassigned and release time FTEF below illustrates Pierce has 11.1% more reassigned and release time assignments than its two peer colleges. This is in line with Pierce being the largest of the District’s medium sized colleges.

Table 1.e.v.a.:

Reassigned/Release Time FTEF Spring 2021

Reassigned FTEF	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	<u>Variance</u>
Department Chairs	12.40	12.60	15.70	12.5	25.6%
Academic Senate	1.90	1.00	2.10	1.45	44.8%
AFT Representatives	0.90	1.00	1.00	0.95	5.3%
Other	<u>7.90</u>	<u>10.92</u>	<u>7.42</u>	9.41	-21.1%
Total Reassigned FTEF	23.10	25.52	26.22	24.31	7.9%
Release FTEF	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	<u>Variance</u>
Other Release Time			0.80	0	0.0%
Hourly Release Assgn.				0	0.0%
Total Release FTEF	0.00	0.00	0.80	0	0.0%
Total Reassigned & Release FTEF	23.10	25.52	27.02	24.31	11.1%

The reassigned/release time expenditure numbers for Pierce is an estimate of the hourly backfill cost associated with unrestricted general funds only. We do not have estimates of the backfill expenses for our two peer colleges and as such we cannot compare their expenditures to ours.

Table 1.e.v.b.:

Reassigned/Release Time Expenditure Spring 2021

	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>
Reassigned Expenditure	N/A	N/A	1,910,825
Release Expenditure	N/A	N/A	64,170
Total Expenditure	N/A	N/A	1,974,995

1.e.vi. How do utilities and other non-salary/benefits operating expenditures activity compare to other colleges in the District?

College expenditure on utilities and non-salary expenses was less than the peer average coming in at 91% of average peer college expenditures. This is in spite of the fact that the college expenditure on water and telephone were 58% and 762% above the peer average numbers.

Table 1.e.vi.a.

Utility and Non-Salary Operating Expenditures 2019-20

	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	<u>Variance</u>
Natural Gas	187,237	163,550	178,622	175,394	101.8%
Water	194,925	272,687	370,193	233,806	158.3%
Electricity	1,787,820	1,437,459	1,104,809	1,612,640	68.5%
Total Utilities	2,169,982	1,873,697	1,653,623	2,021,839	81.8%
Telephone	22,130	8,931	118,291	15,531	761.7%
Other Non-Salary	1,429,564	951,043	1,156,057	1,190,304	97.1%
Total	3,621,676	2,833,671	2,927,971	3,227,673	90.7%

The table that follows next compares utility and non-salary operating expense on \$ expenditure per square foot. Pierce occupies a 426-acre site but has been assigned a built-up outside gross square footage (OGSF) of 928,925 compared to City (with an OGSF of 1,568,680 on 44 acres of land) and Valley (with an OGSF 1,249,124 on 142 acres).

On this basis even though Pierce is spending less than the peer average in actual dollars it is the reverse when we use the OGSF. Pierce has to maintain 166 buildings compared to City (62) and Valley (95) and having the lowest OGSF makes it less efficient than its peers viewed from the perspective of \$ expense per square foot.

Table 1.e.vi.b.:

Utility & Non-Salary Operating Expenditures per Square Foot 2019-20

	<u>LACC</u>	<u>LAVC</u>	<u>LAPC</u>	<u>Peer Avg</u>	<u>Variance</u>
Natural Gas	\$0.12	\$0.13	\$0.19	\$0.13	\$0.07
Water	\$0.12	\$0.22	\$0.40	\$0.17	\$0.23
Electricity	\$1.14	\$1.15	\$1.19	\$1.15	\$0.04
Total Utilities	\$1.38	\$1.50	\$1.78	\$1.44	\$0.34
Telephone	\$0.01	\$0.01	\$0.13	\$0.01	\$0.12
Other Non-Salary	\$0.91	\$0.76	\$1.24	\$0.84	\$0.41
Total	\$2.31	\$2.27	\$3.15	\$2.29	\$0.86
Outside Gross Square Feet	1,568,680	1,249,124	928,925	1,408,902	

CAMPUS	FCI	ASF	OGSF	Stations	WSCH	Buildings	Rooms	Acres
City	16.72	680,282	1,568,680	12,187	186,454	62	1,557	44*
Valley	21.86	615,002	1,249,124	11,263	196,686	95	1,408	142*
Pierce	18.43	657,642	928,925	10,824	236,153	166	1,464	426

FCI = Facilities Condition Index

ASF = Assignable Square Feet

OGSF = Outside Gross Square Feet

WSCH = Weekly Student Contact Hours

*Approximated using Google Earth

Enrollment Management

1.f.i. Does the college have a multi-year plan for enrollment growth and class sections offered? Does the 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?

Past practice has been a semester-to-semester schedule allocation model. But in Fall 2020, the college completed its Guided Pathways 2-year program mapper. The college is now working on creating a multi-year plan based on the recently deployed program mapper.

Our Enrollment Management Committee recommends the implementation and use of this plan to maintain instructional productivity (FTES/FTEF) and support student success and completion which addresses the metrics for the SCFF.

Except for the 2020 year due to COVID, enrollment has been generally stable. Pierce participated in SEM Academy in 2019-2020 to address state enrollment intervention efforts.

With the Implementation of a 2-year scheduling grid, the college can better determine the number of sections to offer at the departmental level in order to ensure programs meets established FTES targets and meet State and District's growth targets. The college is projecting a 5.9% decrease in FTES from last year.

1.f.ii. Are academic and classified staffing adjustments consistent with the enrollment decline?

Generally, yes. For the academic side, we can determine and adjust adjunct assignments to be consistent with enrollment decline. But the college cannot decrease tenured, classified and administrative staffing in the same manner as we are dictated by HR Guidelines.

To align the broader workforce in response to the cyclical enrollment inherent in our business model requires complicated forecasting due to our planning cycles and scheduling. The college is becoming more aware of the changes in student demand that must be readily reflected in changes to offerings we need to provide to sustain strong enrollment. Similar to our sister colleges, LAPC is discussing our program Viability Study Criteria. The college is reviewing the process and adjusting metrics to consider 3 triggers to an assessment rather than 5. The college will initiate Viability Studies for 7 – 10 of its programs.

1.f.iii. Does the college continuously analyze its enrollment trends and class offerings?

Yes. Analysis occurs throughout the term and begins with a review of the efficiency of discipline offerings the previous like term. Deans, department chairs, and VPAA examine these factors to allocate workload hours for schedule development.

Adding and cancelling classes is based on several criteria such as fill rate, waitlist information, number of sections offered of a particular course, combined class status, capstone course status, and alternative funding source availability.

Enrollment management strategies include converting a low enrolled class to a course with historically higher demand; converting to a different modality; converting to a time slot with higher student demand; converting to a late-start (short-term) class.

College Overall Educational Program Evaluation

1.g.i. Is the college's enrollment and fiscal plan consistent with its overall educational mission plan?

It has been, but the college is changing in its student demographics and interests to our section offerings. We are starting the development of our new Educational Strategic Master Plan, which will have a heavy focus on goals for student success and access towards completion, fiscal responsibility, and social equity. Our enrollment plans must focus on student demands to better meet their educational needs and future career goals.

Our class offerings are in line with our overall educational mission, currently, which is adjusting. We have been steadily increasing our non-credit offerings by actively increasing enrollment capacity and section counts as we see demand. We continue to enhance partnerships with feeder high schools by creating more CCAP agreements. We also engage with industry to create pathways for internship opportunities and career growth for students. We have must create a plan to engage with our local community to fulfill the needs of business in the Southern California Region, where most of our students work and will remain unless current trends dramatically change.

Our funding levels are challenging the college when attempting to meet the needs of our students and their desires for all our educational programs. Yet, we continue to offer some courses with lower enrollment to facilitate student program completion to achieve our SCFF metrics.

Table 1.g.i.:

Enrollment (FTES) Target 2020-21

Session	FTES			% Change
	2019-20	2020-21	Diff	
Summer 2	698	605	(93)	-13.3%
Fall	6,180	5,847	(333)	-5.4%
Winter	717	556	(161)	-22.5%
Spring	5,815	5,543	(272)	-4.7%
Summer 1	668	704	36	5.4%
Total	14,078	13,255	(823)	-5.8%

District FTES target is 13,255

2. Strategies and action steps

The college started the current fiscal year projecting an operating deficit of \$4.6 million, but this amount was later revised to \$2.6 million through added adjustments within the college budgets. With more recent developments, the college is now projecting that it will breakeven at the end of the 2020-21 fiscal year by following the strategies identified below. The additional influx of one-time CARES Act funding will also help the college to achieve fiscal stability this year.

The fact that the college expects to breakeven with support of the one-time inflow of funding does not change the need for the college to carefully reflect on its total expenditures levels and

budget planning by adopting strategies that will finally move the college out of the deficit cycle it has been locked into for over a decade. Some of the strategy recommendations include the following:

1. Freeze all “non-essential” positions – *College FIT Team*
2. Establish a grants exploration task force to pursue grants that will be structured to cover not only direct/indirect grant expenses but also to offset operational expenses incurred servicing the project with existing administration support functions. *College FIT Team*
3. Create a collegewide team to implement a new budget paradigm that incorporates all available funding sources outside of the unrestricted general funds. *College FIT Team*
4. Generate additional revenues for the college from enterprise activities in the short and long term. *College FIT Team*
5. Conduct Academic and Student Services viability studies on programs incurring low enrollment and high expense delivery
6. Align costs for all LAPC Budget against FY2015-16 FTES ratios. If FTES has dropped 15%, expenses must be reduced accordingly. All funding sources must be reviewed to enhance budget planning and prevent unexpected GF absorption.
7. Freeze hiring until item 6 is achieved.
8. Maintain Enrollment by section at minimum of District Average
9. Maintain SFP/Grant revenue growth by District Average while covering existing expenses which are not eliminated in item 6 and/or meeting full burden rate of new statement of work (SOW).
10. Enrollment Management: Recruitment, Retention, Completion

Risks and Contingency Plans

Risks

- a. An overarching concern is whether there is sufficient buy-in from the college’s various constituencies on the urgency of the situation and the pressing need to eliminate the structural deficit.
- b. If the college receives additional one-time funding from state and federal sources to mitigate the impact of Covid-19 and is thereby able to breakeven on operations, it could lead to complacency and less commitment to the strategies outlined.
- c. Another concern is the college’s cost structure. Fixed labor costs for full-time staff account for more than 80% of annual operating expenditures. This limits cost cutting options as non-salary expenses account for no more than 5% of operating expenditures. While the college has been able to reduce non-salary costs, it cannot replicate this with labor costs due in large part to union contracts, Personnel Commission and District regulations.

- d. In the short term, the Covid-19 pandemic has impeded the development and implementation of enterprise initiatives geared towards generating new revenue streams as the campus is closed. If the college cannot reduce fixed labor costs or generate significant new enterprise revenues, it will be difficult to eliminate the deficit.
- e. In the long and short term, the risks associated with cyclical enrollment tied to economic cycles pose serious challenges to the college and District. In the past, enrollment growth enabled the college to build up the operating surpluses that sustained it. It is possible that the pandemic and accompanying recession may result in declining enrollment.

Contingency Plans

Pierce is actively working through the shared governance process to develop a consensus on lasting solutions to the college's structural deficit. The Budget Committee as well as the College FIT team are both charged with expanding on the recommended strategies. There is a shared recognition that the college must find ways to be more flexible and better positioned for the paradigm shifts that are taking place in higher education. Even more important than eliminating the deficit, the college must develop and implement contingency plan changes that will ensure the college will remain relevant to the market it serves as it develops the strategies to sustain viable operations into the future.



CITY
EAST
HARBOR
MISSION
PIERCE
SOUTHWEST
TRADE-TECH
VALLEY
WEST

DATE: March 4, 2021
TO: Alexis Montevirgen, President, Pierce College
FROM: Jeanette L. Gordon
Chief Financial Officer/Treasurer
SUBJECT: FIT Meeting Follow-up Request

Thank you for your participation and presentation of the Los Angeles Pierce College financial recovery plan at the FIT meeting held on February 19, 2021. The FIT team has reviewed and discussed this plan would like further information on these items below.

1. What are the specific plans for increasing enrollment? Specifically address any plans for the Calabasas and Agoura Hills area.
2. What are the specific plans for increasing enhanced non-credit?
3. Describe the college’s strategy for boosting its revenue from certificate completions.
4. What is the definition of “essential” position and who is making that determination?
5. Are there any positions not considered essential that are crucial to student achievement?
6. Describe the college’s marketing and outreach plans in detail.
7. Describe in detail how restricted monies will be used.
8. Describe the philosophy and process in which budgets are allocated to disciplines.
9. Please discuss how flexible these instructional budgets are in conjunction with enrollment trends.
10. Please provide detail savings amount attributed to each strategy recommendation.

Please provide responses to me by Friday, March 26, 2021. It is anticipated, after the FIT team review of the responses, recommendations will be forwarded to you. These recommendations along with the Pierce financial recovery plan will be presented at a future District Budget Committee meeting for approval. Please let me know if you have any questions or concerns.

c: Francisco C. Rodriguez, Ph.D.
Melinda Nish
Rolf Schleicher
Donna Mae Villanueva
Eric Peters
Ryan Cornner
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LA PIERCE FIT TEAM RESPONSE – Final

1. What are the specific plans for increasing enrollment? See attachment

- Focus on increasing headcount and efficiency.
 - Recruit from Veterans, Foster Youth, reverse transfer student
 - Non-credit, dual enrollment, CTE employable certificates
 - Follow AFT CBA regarding enrollment caps and class cancellation guidelines
- Follow local Class Cancellation Guidelines
 - Adding and cancelling classes is based on several criteria such as fill rate, waitlist information, number of sections offered of a particular course, combined class status, capstone course status, and alternative funding source availability. Enrollment management strategies include converting a low enrolled class to a course with historically higher demand; converting to a different modality; converting to a time slot with higher student demand; converting to a late-start (short-term) class.
- Implement EMC strategies: Communication Timeline, Outreach Plan, etc
- As an on-going strategy, create more robust linkages with Guided Pathways to support more personnel that increase concurrent enrollment within service area high schools from LAUSD and LVUSD
- Develop more internal conversations to market student success stories and include them in outreach and marketing.

Specifically address any plans for the Calabasas and Agoura Hills area.

- Resume summer career exploration activities for high school juniors and seniors
- Finalize CCAP Dual Enrollment agreement to bring 5 classes to Las Virgenes Unified SD each term; 1-3 year goal to increase concurrent enrollment in LVUSD.
- Address gap-filling needs for classes at the high schools
- Attend Open House events at the high schools or create events led by faculty

2. What are the specific plans for increasing enhanced non-credit?

- Create an Older Adults certificate program with existing two existing popular Older Adults courses
- Based on data received from Adult Education Noncredit Advisory Committees and Labor Market Data, courses and certificate programs will be developed that prepare students for specific jobs that do not require an associate's degree.
- Expand current relationships with local community agencies to increase enrollment of adults needing re-training for employment and training of incumbent workers.
- Create additional stackable noncredit certificates. This allows students to return to continue to increase their skills through noncredit courses. This allows students to go from caregiver to phlebotomist to medical assistant. With each step their earning potential is increased.

3. Strategies to increase college revenue from certificate completions:

- Survey local demand for contract education short-term training and workshops
- Retrain on quick skills - Deans of Adult Ed and CTE will be working to reengage companies for workforce development opportunities. This will include providing companies with tailored training programs (increase Community Services)

- Devote resources to support enterprise partnerships and ground leases based on the college's strategic master plan and its identified priorities.
 - Explore partnership with local retail centers for mix-use possibilities.
 - Explore partnership with sports complex needs in the area
 - Explore capital naming campaign
 - Explore possibility of developing on-campus housing
 - Increase facilities rentals
- Produce more targeted marketing highlighting the college's best and most attractive programs and those that target employability (math and sciences; CTE programs like ASL and enhanced non-credit)
- Optimize SCFF Model: Equity, Financial Aid, certificate of completions Efficiently schedule capstone courses based on student demand, and build the schedule so that capstone courses are full each term they are offered.
- Continue to develop more robust Late-Start Open Classes list (credit and non-credit)

4. What is the definition of "essential" position and who is making that determination?

- Compliance-related (health/safety/regulations) roles; and positions critical to student success.
- From our SRP, the college would need to backfill a few positions to ensure the college is efficiently operational (i.e. Associate VP; financial aid supervisor (critical for processing to ensure max SCFF reporting)
- Senior staff with Shared Governance input

5. Are there any positions not considered essential that are crucial to student achievement?

- Connections with students is crucial for student success. We need frontline staff to help us with data gathering to ensure we find gaps, meet metrics, and evaluate our plans
 - Research Analyst
 - Student Recruitment Coordinator and ancillary adjunct assignments
 - Student Success positions related to maximizing SCFF and focused on retention

6. Describe the college's marketing and outreach plans in detail.

- All budgets will be reviewed to strategically ensure global marketing is happening to move forward in our Outreach Plan. Every single categorical fund with marketing will be consolidated to help with Marketing Outreach. (Student Equity; CTE; Title V; GP).
- Establish a Business/Industry Advisory Breakfast each semester and annual "Report to Community" event that showcases Pierce to the community
- Host Two Open House events each year or create community outreach events
- Market heavily to non-credit, CTE, and dual enrollment, and our best programs
- Increase marketing particularly to the west side of the Valley

7. Describe in detail how restricted monies will be used.

- Monies are spent according to guidelines that govern the use of the restricted funds in areas that compliment, support and are allowable. Where applicable, we will leverage resources so there is no duplication of services and expense.

8. Describe the philosophy and process in which budgets are allocated in disciplines.

- Pierce College has a very consistent and transparent budgeting process. The process we use received a commendation by our last visiting accreditation team. Our Budget Committee and campus CBO office work well with our faculty to ensure program reviews are completed timely and that resources sought from this annual process are thoroughly reviewed prior to any submission to district via the SAP PBF process. The budgeting process begins at the department level and aggregates up through the programs, divisions and ultimately, the college. This occurs with the understanding of well vetted priorities, prior year performance and forecasted allocation. Shared governance is always integrated into our process to allow for appropriate level of discussion on the state of the college budget.
- Discipline budgets are vetted through the college Budget Committee (BC), a standing committee to the Pierce College Council (PCC), to ensure consensus on the college's budget goals, priorities, and savings targets, and that financial resources are aligned with the college's mission and goals. Budgets needs originate from the annual program review process and performance at the program and department.

9. Please discuss how flexible the instructional budgets are in conjunction with enrollment trends.

- The college is continuing with serious conversations related to understanding and addressing the challenges of our post COVID-19 enrollment trends. We recognize scheduling must change to be more accommodating to student needs and the SCFF model benefits.
- Schedule rolls over year to year. The Enrollment Management Committee will help move the conversation forward towards section allocation based on data. The college will be more focused on meeting the district average or greater FTES per section. Academic Affairs will begin discussions about implementing FTES targets per department. AFT contract language on class limits and cancellation guidelines will be followed; prudently offer capstone course to support the completion agenda. AB705 and loss of repeatability.
 - In Fall 2020, the college completed its Guided Pathways 2-year program mapper. The college is now working on creating a multi-year plan. Our Enrollment Management Committee is seeking, through various concepts, plans to maintain instructional productivity (FTES/FTEF) and support student success and completion, which addresses the metrics for the SCFF. Except for the 2020 year due to COVID, enrollment has been generally stable. Pierce participated in SEM Academy in 2019-2020 to address state enrollment intervention efforts.
 - With the Implementation of a 2-year scheduling grid, the Academic Affairs can better determine the number of sections to offer at the departmental level in order to ensure programs meets established FTES targets and meet State and

District's growth targets. The college is projecting a 5.9% decrease in FTES from last year.

10. Please provide detail savings amount attributed to each strategy recommendation:

- Upon review the College FIT believes we have four areas of savings out of the ten strategies identified in the initial FIT Summary.
- Labor restraint – SRP Savings
 - SRP Estimated total savings without labor backfill \$2.7m. Savings with health & safety hires, compliance, and critical hires. Resulting in final estimated potential savings in FY 2021-2022 of \$1m.
- Grant Development – The college is initiating a Grant Taskforce under the Budget Committee to develop a cohesive grants strategy to aggressively solicit available grant funding that align with the college's Strategic Master Plan goals. Estimated target is an additional \$3m in revenue that may generate \$450k in additional savings for the fiscal year. To help ensure this grant development and transparent is well established, the Grant Taskforce will report monthly progress metrics at Pierce College Council.
- Enterprise development
 - Expand "filming location" solicitation to increase dedicated revenue. Achieve pre-pandemic revenues.
 - Photovoltaic campus project – Estimated savings at \$850k annually based on a prior solicitation and vendor proposal. 2-3-year time horizon.
 - Athletics lease complex and partnership – Soccer and baseball centered complex to fulfill demand in the local area for a professional team in soccer, adult leagues, youth leagues, campus athletics. Estimate revenues will not be achieved prior to the next 3-5 years.
 - Campus housing and partnership. Third party solution for housing of Faculty, staff and students. Mixed use component. TBD revenues will not be achieved prior to the next 5-7 years.
- District FTES Average classroom alignment, and SCFF focus – The college is in the early stages for modeling out our potential revenue under the SCFF model based on meeting the district average class size metric, equity and success factors inherent in the model.



CITY
EAST
HARBOR
MISSION
PIERCE
SOUTHWEST
TRADE-TECH
VALLEY
WEST

DATE: June 4, 2021
TO: District Budget Committee
FROM: Jeanette L. Gordon
Chief Financial Officer/Treasurer

SUBJECT: 2020-21 District Financial Accountability Measures – Harbor College

The new District Accountability Measures approved by the Board in July 2020, call for colleges that end the fiscal year with a deficit to develop an action plan developed through the established participatory governance process. In 2019-20, Harbor College ended the year with a 2.0% deficit, placing them in the second level of the accountability measures, calling for the college to present an action plan to a Fiscal Intervention Team (FIT). Harbor College met with the FIT team (members listed below) on February 26, 2021 to present their plan (Attachment I) after which the team discussed and developed additional questions (Attachment I, page 16). The FIT team met again on March 26, 2021 to review the college response (Attachment I, pages 17-28) and recommended the college answer further questions before it presents to the committee (Attachment II).

c: Francisco C. Rodriguez, Ph.D.
Melinda Nish
Bob Suppelsa
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Los Angeles, CA 90017

Financial Intervention Team Action Plan



Los Angeles Community College District: Financial Accountability Measurement

Los Angeles Harbor College Financial Intervention Team Action Plan FY 2020-2021

Summary

Historically, Harbor College has struggled with balancing its budget. A result of its last financial accountability measure requirement, the College was on track to balance its budget for the third year in row in FY 2019-2020. However, the COVID-19 historic pandemic hit, and the College was not able to balance its budget. Harbor College ended FY 2019 -2020 with an ending expenditure of \$39,759,131. This was a negative 4% of its annual budget allocation and triggered an automatic requirement to create a Financial Intervention Team Action Plan (FITAP) for FY 2020-2021 as required by the District Fiscal Accountability Measure policy.

Harbor College’s FITAP was developed through a compilation of shared governance activities that includes analysis of the following accountability measures:

- Section I: Deficit Spending
- Section II: College’s overall instructional measures
- Section III: Full time faculty hiring obligation
- Section IV: College expenditures and staffing trends over the last five years
- Section V: Enrollment management
- Section VI: College’s overall educational program evaluation

Throughout the past fiscal year, Harbor College has engaged in critical budget conversations via its shared governance structure. In the summer of 2020, the joint College Planning Council (CPC) and Academic Senate Ad Hoc Budget Reduction Taskforce was created to analyze its past and current budget condition. The committees work resulted in fifteen recommendations that were vetted through the Budget Committee, CPC, and Academic Senate. The recommendations ranged from reductions in overtime spending to a complete review of the Athletics program. The campus also engaged in various budget and enrollment related activities. One of those activities, a Data Summit, was designed to stimulate campus wide dialogue on both budget and enrollment. One result from the summit was the creation of an Enrollment Management Taskforce. Data and documents from both the Ad Hoc Budget Committee and Data Summit will be made available to the District’s Financial Intervention Team via a shared one drive folder.

FITAP Budget Highlights

5 Year Budget Analysis					
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Budget Allocation	\$35,144,699.00	\$35,846,325.00	\$36,579,051.00	\$38,266,223.00	\$35,427,319.00
Total Expenditures	\$36,950,695.00	\$35,789,199.00	\$36,303,574.00	\$39,759,131.00	\$40,656,815.00
Balance/(Deficit)	(\$1,805,996.00)	\$57,126.00	\$275,477.00	(\$1,492,908.00)	(\$5,229,496.00)
Deficit %	-5%	0.15%	0.75%	-4.00%	-15%

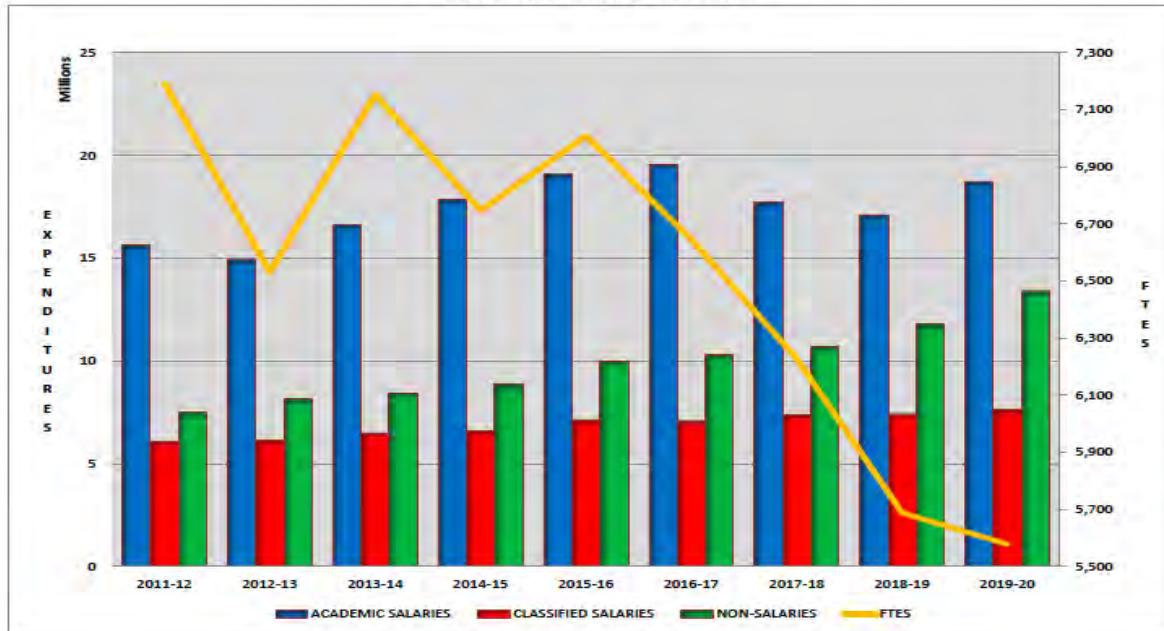
**Source: LACCD November 2020 Budget Book*

Los Angeles Harbor College
Budget, Expenditure, FTES
Unrestricted General Fund
10-Year comparison

FY	2011-12 YE Bud, \$	2012-13 YE Bud, \$	2013-14 YE Bud, \$	2014-15 YE Bud, \$	2015-16 YE Bud, \$	2016-17 YE Bud, \$	2017-18 YE Bud, \$	2018-19 YE Bud, \$	2019-20 YE Bud, \$	2020-21 Final Bud, \$
YE Budget/Revenue	29,308,197	29,664,684	31,656,707	32,440,770	33,387,420	35,144,099	35,840,325	36,579,051	38,286,223	35,427,319
Expenditures	YE Exp, \$	YE Exp, \$	YE Exp, \$	YE Exp, \$	YE Exp, \$	YE Exp, \$	YE Exp, \$	YE Exp, \$	YE Exp, \$	Final Bud, \$
Regular Teaching (11xxxx)	5,028,684	6,343,591	6,975,602	7,981,033	8,232,598	8,770,815	7,077,338	6,968,086	6,911,346	6,851,487
Hourly Teaching (13xxxx)	6,139,397	5,094,023	6,425,628	6,891,553	7,351,201	7,197,074	6,927,894	6,801,230	7,475,940	4,539,798
Other Certificated (all other)	3,555,426	3,481,173	3,224,033	2,945,066	3,501,050	3,603,541	3,707,042	3,340,948	4,347,229	3,880,935
Total Certificated	15,623,507	14,918,787	16,625,263	17,858,545	19,084,849	19,571,430	17,712,264	17,110,263	18,734,214	15,072,200
Regular Classified	5,652,622	5,747,939	5,982,439	6,111,461	6,569,550	6,468,150	6,729,380	6,656,709	6,865,398	6,256,748
Other Non-Certificated	423,757	377,298	500,333	472,157	545,530	608,838	623,032	749,333	760,749	620,000
Total Non-Certificated	6,076,380	6,125,237	6,482,772	6,583,618	7,115,109	7,077,018	7,352,419	7,406,042	7,626,147	6,876,746
Total Salary	21,699,886	21,044,024	23,108,335	24,442,164	26,199,959	26,648,449	25,064,683	24,516,306	26,360,361	21,948,946
Benefits	6,103,483	6,191,852	6,347,872	6,610,836	7,411,890	8,012,023	7,028,189	6,363,621	9,160,381	7,905,251
Supplies and Printing	205,191	201,616	239,656	326,670	313,462	291,952	208,629	208,238	301,897	361,867
Operating	753,078	1,243,172	1,459,827	1,448,782	1,772,425	1,425,525	2,076,903	2,536,530	2,599,475	3,119,981
Equipment	33,741	53,905	32,285	44,197	50,088	33,117	111,463	236,248	239,041	300,114
Other Outgo	357,453	472,433	371,388	415,901	451,177	539,829	378,134	386,631	1,067,673	1,791,080
Total Expenditures	29,182,830	29,207,002	31,555,363	33,289,549	36,199,001	36,930,695	35,768,199	36,303,574	39,739,131	35,427,319
FTES*	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Projected
Credit	7,130	6,487	7,071	6,676	6,946	6,552	6,156	5,599	5,454	5,496
Non-Credit	63	44	82	71	83	94	72	71	62	62
Enhanced Non-Credit	0	0	0	0	0	0	0	17	61	61
Total FTES	7,193	6,531	7,153	6,747	7,009	6,646	6,227	5,688	5,578	5,622
Dollar per FTES	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Budget/FTES	4,075	4,527	4,412	4,808	4,764	5,288	5,757	6,431	6,861	6,302
Total Salary per FTES	3,017	3,222	3,231	3,623	3,738	4,010	4,025	4,310	4,726	3,904
Total Benefits per FTES	849	948	887	980	1,057	1,206	1,273	1,470	1,648	1,406
Total Supplies and Printing per FTES	29	31	33	48	45	44	34	46	54	64
Total Operating per FTES	105	190	204	215	253	214	334	448	468	556
Total Equipment per FTES	5	8	5	7	7	5	18	42	43	53
Total Other Outgo per FTES	54	72	52	62	64	81	61	68	191	319
Total Expenditures per FTES	4,057	4,472	4,412	4,634	5,165	5,560	5,744	6,383	7,128	6,302

* Actual FTES is as reported by Attendance Accounting

LOS ANGELES HARBOR COLLEGE
Expenditure Analysis by Type
Unrestricted General Fund Only



Annual College Profile 2020



Office of Institutional Effectiveness

Annual College Profile 2020

November 19, 2020

Goal 1: Access and Preparation for Success	Status	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	
	First-Time Student	1,724	1,985	1,814	1,474	1,260	1,224	
	First-Time Transfer Student	782	609	517	243	469	463	
	Returning Student	596	558	571	471	320	353	
	Continuing Student	6,002	5,898	5,634	6,175	5,347	5,104	
	Uncollected/Unreported	99	86	31	43	267	122	
	Special Admit Student	703	636	571	449	964	802	
	Credit/Non-Credit Headcount	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	
	Credit Students	9,766	9,644	8,931	8,711	8,352	7,945	
	Noncredit Students	140	128	207	144	275	123	
	Gender	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	
	Female	58.9%	59.1%	58.5%	58.8%	59.3%	59.6%	
	Male	41.1%	40.9%	41.5%	41.2%	40.6%	40.3%	
	Unknown	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	
	Ethnicity	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	
	African American	10.6%	10.2%	9.9%	10.5%	10.3%	10.8%	
	Asian/Pacific Islander	12.8%	13.2%	12.8%	12.3%	12.6%	12.1%	
	Hispanic/Latino	58.0%	57.3%	59.4%	55.7%	58.5%	58.2%	
	White	12.9%	13.3%	11.9%	12.5%	11.3%	11.4%	
	Other/Unknown	5.7%	6.0%	6.0%	8.9%	7.3%	7.6%	
	Note: Fall 2017, 2018, and 2019 data are based on IRDS TERM files.							
	Age	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	
	Under 20	29.6%	28.9%	27.9%	33.2%	35.8%	34.2%	
	20 to 24 years old	37.6%	37.9%	37.7%	35.3%	32.3%	33.5%	
	25 to 34 year old	19.1%	20.0%	20.9%	19.8%	19.7%	20.4%	
35 and over	13.7%	13.2%	13.5%	11.7%	12.3%	11.9%		
Educational Goal	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019		
Career/Workforce	13.1%	11.9%	11.0%	1.6%	9.5%	9.4%		
College Prep	3.9%	3.6%	3.4%	0.9%	5.6%	7.2%		
Complete Credits to Meet 4-Year College Requirements	5.4%	5.1%	4.5%	2.0%	4.5%	4.1%		
Transfer to 4-Year	53.7%	55.8%	59.3%	79.6%	55.8%	55.8%		
Two-Year AA Without Transfer	7.0%	8.1%	7.9%	11.3%	7.8%	6.1%		
Undecided	14.5%	13.3%	12.1%	0.3%	13.3%	13.2%		
Other	2.2%	2.3%	1.9%	4.3%	3.4%	4.2%		
Note: Fall 2017 Educational Goal extracted from Peoplesoft 11-2-2018. Previous semesters extracted from LACCD Student Information System. Fall 2018 & 2019 Educational Goal extracted from Peoplesoft SYS_PS_CES_STUDENT_ATTR and SYSADM_PS_STUDENT_ATTR_VVAL 04-09-2020.								
Study Load:	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019		
12.0 units or more	32.4 %	30.6 %	28.1 %	30.0 %	28.4%	29.3%		
6.0 to 11.9 units	38.6 %	39.3 %	40.2 %	35.3 %	34.4%	33.6%		
5.9 units or less	27.6 %	28.7 %	29.4 %	33.1 %	34.3%	35.6%		
Non-credit	1.4 %	1.3 %	2.3 %	1.6 %	2.8%	1.5%		
Financial Aid	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19		
Cal Grant B	523	624	606	511	622	654		
Calif. College Promise - Method B	6,269	6,087	5,714	5,408	5,478	4,405		
Calif. College Promise - Method C	2,191	2,236	2,250	2,217	2,290	2,181		
Full-time Student Success Grant			407	370	389			
Pell Grant	4,113	3,939	3,488	2,900	2,445	2,411		
SEOG	427	438	700	381	295	456		
Source: California Community Colleges Chancellor's Office Data Mart (https://datamart.cccco.edu/DataMart.aspx), extracted 04-06-2020. SEOG - Supplemental Educational Opportunity Grant								

SEMP Goal 2: Teaching and Learning for Success	Student Success Metrics	2014-15	2015-16	2016-17	2017-18	2018-19
	All Students	13,146	13,103	12,745	11,893	12,226
	Learning Progress					
	Skills Gains	18%	17%	16%	10%	12%
	Course Success Rate	66%	68%	68%	69%	69%
	Completed Transfer-Level Math & English (Both Math and English in the First Year)	3%	3%	4%	4%	8%
	Momentum					
	Completed a Level of Education	9%	N/A	11%	13%	9%
	Completed a Noncredit CTE or Workforce Preparation Course	20%	17%	24%	25%	11%
	Earned 9+ Career Education Units	8%	9%	8%	8%	7%
	Retained from Fall to Spring (at the Same College)	67%	65%	64%	62%	63%
	Successfully completed Unit Thresholds (12 units or more) in the Fall	14%	14%	13%	14%	14%
	Successfully Completed Unit Thresholds (24 units or more) in the Academic Year	7%	8%	7%	7%	7%
	Success					
	Transitioned to Postsecondary or Earned an Award (Attained the Vision Goal Definition of Completion by Students)	626	691	809	696	801
	Avg. Number of Units Accumulated by All Associate Degree Earners	92	94	93	93	89
	Avg. Number of Units Accumulated by All AA/AS Degree (Not for Transfer) Earners	92	93	93	93	89
	Avg. Number of Units Accumulated by ADT Degree Earners	94	100	95	92	91
	Transferred to a Four-Year Institution	808	939	909	1,066	N/A



SEMP Goal 2: Teaching and Learning for Success	Student Success Metrics		2014-15	2015-16	2016-17	2017-18	2018-19	
	Employment							
	Became Employed		50%	52%	52%	52%	N/A	
	Job Closely Related to Field of Study		63%	77%	65%	N/A	N/A	
	Earnings							
	Median Annual Earnings		\$26,736	\$24,899	\$27,175	\$27,448	N/A	
	Median Change in Earnings		31%	25%	33%	34%	N/A	
	Attained the Living Wage		43%	39%	42%	43%	N/A	
	Source: California Community Colleges Student Success Metrics (https://www.calpassplus.org/LaunchBoard/Student-Success-Metrics), extracted 10-01-2020.							
	Completion		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Associate Degrees								
AA		660	750	1,183	1,080	1,325	1,473	
AS		536	622	1,054	979	1,220	1,387	
Associate Degrees-Transfer		124	128	129	101	105	86	
AAT		26	137	229	302	346	356	
AST		22	66	114	131	150	178	
Certificates		4	71	115	171	196	178	
Certificate requiring 30 to < 60 semester units		42	317	505	415	697	685	
Certificate requiring 18 to < 30 semester units		12	276	406	383	615	656	
Certificate requiring 6 to < 18 semester units		30	41	23	16	34	16	
Other Credit Award, < 6 semester units		0	0	70	16	48	13	
Total		728	1,204	1,917	1,797	2,368	2,514	
Source: California Community Colleges Chancellor's Office Data Mart (https://datamart.cccco.edu/Outcomes/Program_Awards.aspx), extracted 10-02-2020.								
Transfer		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
CSU Transfers								
UC Transfers		460	437	511	484	451	N/A	
In State Private (ISP)		50	50	64	63	57	N/A	
Out of State (OOS)		81	59	48	60	48	N/A	
Total		105	94	114	92	87	N/A	
Source: California Community Colleges Chancellor's Office Data Mart (https://datamart.cccco.edu/Outcomes/Student_Transfer_Volume.aspx), extracted 04-02-2020. LACCD Institutional Research (http://www.laccd.edu/Departments/EPIE/Research/Pages/All-Reports.aspx), extracted 04-02-2020.								

SEMP Goal 3: Institutional Effectiveness Goal 4: Resources and Collaboration	Faculty and Staff Headcount		Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019
	Administrator							
			13	12	12	11	13	12
	Regular Faculty							
			76	110	115	100	100	93
	Hourly Faculty							
			304	260	261	235	264	237
	Classified							
			138	151	150	135	140	138
	Total		531	533	538	481	517	480
Source: California Community Colleges Chancellor's Office Data Mart (https://datamart.cccco.edu/Faculty-Staff/Staff_Annual.aspx), extracted 04-03-2020.								
Faculty and Staff Ethnicity		Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	
African American								
		11.9%	11.3%	9.5%	9.4%	12.5%	12.7%	
Amer Indian/Alaskan Native								
		0.2%	0.2%	0.2%	0.2%	0.0%	0.2%	
Asian								
		11.7%	10.9%	9.7%	9.8%	13.2%	12.9%	
Hispanic								
		14.5%	14.4%	14.9%	16.2%	17.4%	19.0%	
White Non-Hispanic								
		35.4%	34.3%	34.0%	30.2%	31.4%	30.2%	
Multi-Ethnicity								
		0.6%	0.6%	0.6%	0.4%	0.4%	0.4%	
Other/Unknown								
		25.8%	28.3%	31.2%	33.3%	25.1%	24.6%	
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Source: California Community Colleges Chancellor's Office Data Mart (https://datamart.cccco.edu/Faculty-Staff/Staff_Demo.aspx), extracted 04-03-2020.								
Efficiency Measures		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
Cost per Enrollment								
		\$ 1,699	\$ 1,905	\$ 2,091	\$ 1,983	\$ 2,059	\$ 2,259	
Cost per FTES								
		\$ 4,750	\$ 5,160	\$ 5,560	\$ 5,744	\$ 6,383	\$ 7,128	
Cost per FTES (District-wide)								
		\$ 4,358	\$ 4,629	\$ 4,914	\$ 5,303	\$ 5,543	\$ 5,817	
Source: LACCD Final Budget Reports (http://www.laccd.edu/Departments/CFO/Budget/BudgetReports/FinalBudget/Pages/default.aspx), extracted 10-01-2020.								
Year-End Expenditures		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
Certificated								
		\$ 17,858,545	\$ 19,084,849	\$ 19,571,430	\$ 17,712,264	\$ 17,110,263	\$ 15,811,080	
Non-Certificated								
		\$ 6,583,618	\$ 7,115,109	\$ 7,077,018	\$ 7,352,419	\$ 7,406,042	\$ 7,934,058	
Benefits								
		\$ 6,610,836	\$ 7,411,890	\$ 8,012,023	\$ 7,928,189	\$ 8,363,621	\$ 8,205,495	
Printing & Supplies								
		\$ 326,670	\$ 313,482	\$ 291,952	\$ 208,829	\$ 264,238	\$ 371,640	
Operating Expenses								
		\$ 1,449,782	\$ 1,772,425	\$ 1,425,525	\$ 2,076,903	\$ 2,536,530	\$ 2,924,566	
Capital Outlay								
		\$ 44,197	\$ 50,068	\$ 33,117	\$ 111,463	\$ 236,248	\$ 280,309	
Other								
		\$ 415,901	\$ 451,177	\$ 538,629	\$ 378,134	\$ 386,631	\$ 1032,126	
Total		\$ 33,289,549	\$ 36,199,001	\$ 36,950,695	\$ 35,768,199	\$ 36,303,574	\$ 36,559,274	
Source: LACCD Final Budget Reports (http://www.laccd.edu/Departments/CFO/Budget/BudgetReports/FinalBudget/Pages/default.aspx), extracted 04-03-2020.								

Section I: Deficit Spending

- a. Is the college deficit spending more than 1% of its revenue budget over multiple years?

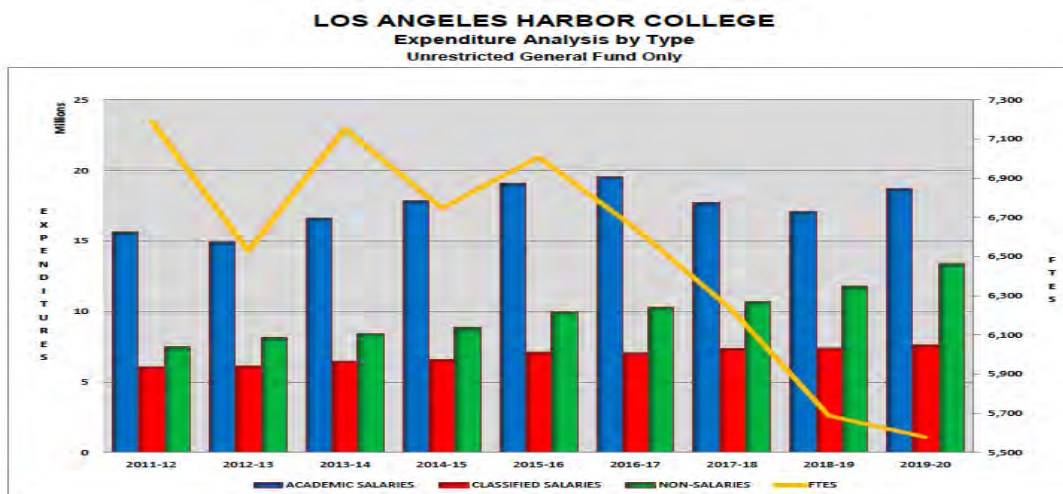
Harbor College has a long history of difficulty in reaching a balanced budget at the end of each fiscal year. In two of the past four years, Harbor College’s deficit spending has been greater than 1%. In FY 2016-17, it was -5%, and in FY 2019-20, it was -4%. Progress was made in recent years by focusing on year-end transfers, understaffing classified positions, and significantly cutting back on facility and maintenance functions. However, these actions have caused inefficiencies and inequities related to the affected functions and remaining employees and do not solve the staffing issues on campus. This type of unsustainable budgeting has created a projected deficit of -15% or \$5,229,496 overrun for the current fiscal year 2020-2021.

5 Year Budget Analysis					
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Budget Allocation	\$35,144,699.00	\$35,846,325.00	\$36,579,051.00	\$38,266,223.00	\$35,427,319.00
Total Expenditures	\$36,950,695.00	\$35,789,199.00	\$36,303,574.00	\$39,759,131.00	\$40,656,815.00
Balance/(Deficit)	(\$1,805,996.00)	\$57,126.00	\$275,477.00	(\$1,492,908.00)	(\$5,229,496.00)
Deficit %	-5%	0.15%	0.75%	-4.00%	-15%

*Source: LACCD November 2020 Budget Book

- b. Is the deficit spending addressed by ending balance, college reserve, or built-in growth revenue?

Harbor College has not been in a position to have an ending balance or College reserve for the past ten years due to previous budgetary decisions. Before the historic COVID-19 pandemic, the College’s FTES growth revenue was steadily declining. The pandemic further affected Harbor’s growth ability. In addition to the no growth possibility, other opportunities for revenue were also affected. The largest impact was approximately \$844,000 in lost swap meet revenue. Other revenue sources will not generate enough to help the ending balance deficit as those activities have also been severely impacted by the historic pandemic.



Section II: College’s Overall Instructional Measures

- i. Is teaching faculty productivity (FTES/FTEF) greater than or equal to 510?

Per the WSCH Trends and Staff Patterns as extrapolated from LACCD’s Expenditure Data and Cost per FTES for Fiscal Year 2011-12 to 2020-21, produced by the Office of the Chief Financial Officer/Treasurer, dated November 2020, Harbor College’s FTES/FTEF was 521 for the Fall 2019 semester. The average for District peer colleges (Mission, Southwest, and West) for Fall 2019 was 469. The overall average for the District was 490. Harbor College’s faculty productivity in this semester, at 521, was greater than 510 and was the highest of the District’s colleges.

WSCH TRENDS AND STAFFING PATTERNS BY COLLEGE FALL 2019						
	Regular FTEF	Reg. at Hrly Rate FTEF	Adjunct FTEF	Total FTEF	FTES/FTEF	WSCH per FTEF
City	134	27.4	116.6	278	15.8	474
East	238.6	64.2	225.6	528.4	16.4	492
Harbor	66.3	21.1	72.2	159.6	17.4	521
Mission	57.2	17.1	87.6	162	17.3	519
Pierce	184.1	32.8	146.3	363.2	16.9	508
Southwest	53.1	15.3	53.6	122	14.2	426
Trade	135.4	38.5	112.6	286.5	17.1	514
Valley	140.8	33.1	140.8	314.8	15.8	473
West	80	24.7	116.6	221.3	15.5	464
LACCD	1090	274	1072	2436	16.3	490

**Source: LACCD November 2020 Budget Book*

- ii. Is average class size greater than or equal to 34?

Per the WSCH Trends and Staff Patterns as extrapolated from LACCD’s Expenditure Data and Cost per FTES for Fiscal Year 2011-12 to 2020-2, produced by the Office of the Chief Financial Officer/Treasurer, dated November 2020, Harbor College’s average class size was 34.6 for the Fall 2019 semester. The average for District peer colleges (Mission, Southwest, and West) for Fall 2019 was 31. The overall average for the District was 32.1. Harbor’s class size average is the highest in the District other than Mission College, who led by .1.

Fall 2019	Harbor	Southwest	Mission	Trade Tech	City	East	Pierce	Valley	West	LACCD
Average Class Size	34.6	28.3	34.7	29.2	31.9	32.9	34.3	31.6	30.5	32.1

**Source: LACCD November 2020 Budget Book*

- 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?

The chart below shows FY 2019-2020 costs per FTES for instruction, instructional services, student services, maintenance and operations and other non-instructional support services for the whole District.

2019-2020	Harbor		Southwest		Mission		West	
FTES	5,578		4,533		6,719		8,523	
	Cost per FTES		Cost per FTES		Cost per FTES		Cost per FTES	
Instruction	\$ 20,822,228.00	\$ 3,732.92	\$ 18,083,647.00	\$ 3,989.33	\$ 22,029,418.00	\$ 3,278.68	\$ 28,223,310.00	\$ 3,311.43
Instructional Support	\$ 2,160,745.00	\$ 387.37	\$ 2,200,372.00	\$ 485.41	\$ 2,681,912.00	\$ 399.15	\$ 1,663,347.00	\$ 195.16
Other Instructional Services	\$ 1,701,832.00	\$ 305.10	\$ 1,757,548.00	\$ 387.72	\$ 991,940.00	\$ 147.63	\$ 1,667,272.00	\$ 195.62
Total Instruction:	\$ 24,684,805.00	\$ 4,425.39	\$ 22,041,567.00	\$ 4,862.47	\$ 25,703,270.00	\$ 3,825.46	\$ 31,553,929.00	\$ 3,702.21
Student Services	\$ 3,391,225.00	\$ 607.96	\$ 3,430,189.00	\$ 756.71	\$ 3,297,705.00	\$ 490.80	\$ 3,397,029.00	\$ 398.57
Maintenance and Operations	\$ 5,952,755.00	\$ 1,067.18	\$ 5,801,217.00	\$ 1,279.77	\$ 6,174,553.00	\$ 918.97	\$ 5,830,275.00	\$ 684.06
Institutional Support	\$ 4,467,875.00	\$ 800.98	\$ 4,476,049.00	\$ 987.44	\$ 5,367,581.00	\$ 798.87	\$ 5,270,694.00	\$ 618.14
Community Services	\$ 280.00	\$ 0.05	\$ 91,558.00	\$ 20.20	\$ -	\$ -	\$ -	\$ -
Ancillary Services	\$ 1,114,033.00	\$ 199.72	\$ 320,201.00	\$ 70.64	\$ 791,774.00	\$ 117.84	\$ 1,050,431.00	\$ 123.25
Total Non-Instruction	\$ 14,962,168.00	\$ 2,675.90	\$ 14,119,214.00	\$ 3,114.76	\$ 15,631,613.00	\$ 2,326.48	\$ 15,548,429.00	\$ 1,824.29
Total:	\$ 39,610,973.00	\$ 7,101.29	\$ 36,160,780.00	\$ 7,977.23	\$ 41,334,883.00	\$ 6,151.94	\$ 47,102,358.00	\$ 5,526.50
Cost per FTES	\$7,101.29		\$7,977.23		\$6,151.94		\$5,526.50	

*Source: LACCD November 2020 Budget Book

2019-2020	Trade Tech		City		East		Pierce	
FTES	11,299		11,081		24,981		14,079	
	Cost per FTES		Cost per FTES		Cost per FTES		Cost per FTES	
Instruction	\$ 41,491,411.00	\$ 3,672.13	\$ 41,064,116.00	\$ 3,705.81	\$ 81,184,021.00	\$ 3,249.83	\$ 50,316,661.00	\$ 3,573.88
Instructional Support	\$ 1,588,986.00	\$ 140.63	\$ 1,522,356.00	\$ 137.38	\$ 6,279,150.00	\$ 251.36	\$ 2,710,521.00	\$ 192.52
Other Instructional Services	\$ 807,595.00	\$ 71.47	\$ 3,012,707.00	\$ 271.88	\$ 3,630,081.00	\$ 145.31	\$ 4,092,365.00	\$ 290.67
Total Instruction:	\$ 43,887,992.00	\$ 3,884.24	\$ 45,599,179.00	\$ 4,115.08	\$ 91,093,252.00	\$ 3,646.50	\$ 57,119,547.00	\$ 4,057.07
Student Services	\$ 5,262,674.00	\$ 465.76	\$ 5,502,582.00	\$ 496.58	\$ 9,833,107.00	\$ 393.62	\$ 6,970,052.00	\$ 495.07
Maintenance and Operations	\$ 9,069,050.00	\$ 802.64	\$ 10,257,481.00	\$ 925.68	\$ 14,798,551.00	\$ 592.39	\$ 10,503,938.00	\$ 746.07
Institutional Support	\$ 7,866,331.00	\$ 696.20	\$ 4,667,343.00	\$ 421.20	\$ 10,720,430.00	\$ 429.14	\$ 4,747,631.00	\$ 337.21
Community Services	\$ 183,935.00	\$ 16.28	\$ -	\$ -	\$ 446,729.00	\$ 17.88	\$ 1,109,899.00	\$ 78.83
Ancillary Services	\$ 698,267.00	\$ 61.80	\$ 5,898.00	\$ 0.53	\$ 1,368,065.00	\$ 54.76	\$ 1,019,128.00	\$ 72.39
Total Non-Instruction	\$ 23,080,257.00	\$ 2,042.68	\$ 20,433,304.00	\$ 1,843.99	\$ 37,166,882.00	\$ 1,487.81	\$ 24,350,648.00	\$ 1,729.57
Total:	\$ 66,968,249.00	\$ 5,926.92	\$ 66,032,483.00	\$ 5,959.07	\$ 128,260,134.00	\$ 5,134.31	\$ 81,470,195.00	\$ 5,786.65
Cost per FTES	\$5,926.92		\$5,959.07		\$5,134.31		\$5,786.65	

*Source: LACCD November 2020 Budget Book

2019-2020	Valley		LACCD	
FTES	12,000		104,403	
	Cost per FTES		Cost per FTES	
Instruction	\$ 40,540,695.00	\$ 3,378.39	\$ 345,823,045.00	\$ 3,312.39
Instructional Support	\$ 2,610,967.00	\$ 217.58	\$ 25,062,254.00	\$ 240.05
Other Instructional Services	\$ 2,133,353.00	\$ 177.78	\$ 20,930,254.00	\$ 200.48
Total Instruction:	\$ 45,285,015.00	\$ 3,773.75	\$ 391,815,553.00	\$ 3,752.91
Student Services	\$ 5,979,732.00	\$ 498.31	\$ 49,130,327.00	\$ 470.58
Maintenance and Operations	\$ 8,245,670.00	\$ 687.14	\$ 76,873,949.00	\$ 736.32
Institutional Support	\$ 6,371,726.00	\$ 530.98	\$ 175,666,087.00	\$ 1,682.58
Community Services	\$ 18,092.00	\$ 1.51	\$ 1,850,492.00	\$ 17.72
Ancillary Services	\$ 1,128,792.00	\$ 94.07	\$ 7,496,589.00	\$ 71.80
Total Non-Instruction	\$ 21,744,012.00	\$ 1,812.00	\$ 311,017,444.00	\$ 2,979.01
Total:	\$ 67,029,027.00	\$ 5,585.75	\$ 702,832,997.00	\$ 6,731.92
Cost per FTES	\$5,585.75		\$6,731.92	

*Source: LACCD November 2020 Budget Book

Harbor College's costs per FTES for instruction costs of \$3,732.92 are 5.5% higher than peer colleges that include Southwest, Mission and West. It's also 11% higher than the District average.

Instructional support costs of \$387.37 are 7.0% above the average cost among small colleges and 38% above the District average.

Other instructional services costs of \$305.10 are 25% above peer averages and 52% above the District average.

Harbor College’s total instruction costs of \$4,425.39 are 7% higher amongst peer colleges and 15% greater than the District average.

Student Services costs of \$607.96 are 20% above peer averages in the district and 22% greater than the District average.

M&O costs of \$1,067.18 are 10% above peer averages and 31% greater than the District average.

Harbor’s total non-instructional costs of \$2,675.90 are 10% greater than peer averages and 10% below District average.

The total costs per FTES of \$7,101.29 are 8% above peer averages and 5% above the District 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?

Admin Costs 2019-2020	Harbor	Southwest	Mission	Trade Tech	City	East	Pierce	Valley	West	LACCD
Student Services	\$ 607.96	\$ 756.71	\$ 490.80	\$ 465.76	\$ 496.58	\$ 393.62	\$ 495.07	\$ 498.31	\$ 398.57	\$ 470.58
Maintenance and Operations	\$ 1,067.18	\$ 1,279.77	\$ 918.97	\$ 802.64	\$ 925.68	\$ 592.39	\$ 746.07	\$ 687.14	\$ 684.06	\$ 736.32
Institutional Support	\$ 800.98	\$ 987.44	\$ 798.87	\$ 696.20	\$ 421.20	\$ 429.14	\$ 337.21	\$ 530.98	\$ 618.14	\$ 1,682.58
Community Services	\$ 0.05	\$ 20.20	\$ -	\$ 16.28	\$ -	\$ 17.88	\$ 78.83	\$ 1.51	\$ -	\$ 17.72
Ancillary Services	\$ 199.72	\$ 70.64	\$ 117.84	\$ 61.80	\$ 0.53	\$ 54.76	\$ 72.39	\$ 94.07	\$ 123.25	\$ 71.80
Total Non-Instruction	\$ 2,675.90	\$ 3,114.76	\$ 2,326.48	\$ 2,042.68	\$ 1,843.99	\$ 1,487.81	\$ 1,729.57	\$ 1,812.00	\$ 1,824.29	\$ 2,979.01

**Source: LACCD November 2020 Budget Book*

Student Services costs of \$607.96 are 20% above peer averages in the District and 22% greater than the District average.

M&O costs of \$1,067.18 are 10% above peer averages and 31% greater than the District average.

Harbor’s total non-instructional costs of \$2,675.90 are 10% greater than peer averages and 10% below District average.

Total costs per FTES of \$7,101.29 are 8% above peer averages and 5% above the district average.

Section III: Full Time Faculty Hiring Obligation

- j. Full Time Faculty Hiring Obligation

Estimated Fall 2021 Regular Faculty FTEF Hires Required ^
(February 8, 2021)

<u>Line</u>		<u>Total</u>
1	Fall 20 FON Full-Time Faculty FTE	1557.1
2	"Late" Separations applied to Fall 20 FON	27.0
3	SRP "Early" 2021 Separations (as of January 12, 2021)*	112.0
4	Estimated FTEF Adjusted for Separations (Line 1 minus Line 2 & 3)	1418.1
5	Current Projected Spring/Fall 2021 College Credit Hires †	13.0
6	Estimated FTEF Fall 2021 FTEF (Lines 4 plus 5)	1431.1
7	State Fall 2021 Advance Amount FTEF (As of August 3, 2020) ^	1411.8
8	Projected Hires Over Projected Required (Line 7 minus line 6)	19.3

† Currently 2 of the 13 already hired.
^ Compliance Amount may be reduced when recalculated with P1 Apportionment numbers in March 2021.

Notes:
^ Memo from the CCCCO State Director of Fiscal Standards and Accountability on Fall 2021 Advance dated August 3, 2020. May change due to increase/decrease enrollment.
† Current projected hires as follows: 4 City, 3 East, 1 Harbor and 5 Valley
* Based on list from PARS dated 11/19/2020 and assumes all faculty are credit. Deleted duplicate record.

Section IV: College Expenditures and Staffing Trends over the last five years

e. College Expenditures and Staffing Trends over the last five years

The source data for all of the supporting information for this section is the Los Angeles Community College District report of Expenditure Data & Cost Per FTES for Fiscal Year 2011-12 to 2020-21 (“ED&CPF”). The report can be found at:

<https://www.laccd.edu/Departments/CFO/budget/BudgetReports/Documents/2011-12%20to%202020-21%20Expenditure%20Data%20and%20Cost%20Per%20FTES.pdf>

While the historical data within this report is accurate, the 2020-2021 numbers are based on the College’s adopted budget. At LAHC, a college that is regularly spending in a deficit situation, the yearly expenses will exceed the adopted budget. As a result, the variances for LAHC at the end of the year will be worse than the comparisons that are based on the adopted budget. This is especially worse for any comparisons that are impacted for salary accounts and charges.

LAHC will compare to the other small colleges, Southwest and Mission, for this part of the report and generally for the 2020-2021 Budget year.

i. Is percentage of budget allocated to salaries and benefits at or less than district- wide average?

Harbor College spends the second lowest in the District on both certificated and non-certificated salaries.

	City	East	Harbor	Mission	Pierce	Southwest	Trade-Tech	Valley	West
Certificated Salaries	\$29,522,518 (46.9%)	\$61,234,306 (49.7%)	\$15,072,200 (42.5%)	\$18,161,049 (49.5%)	\$37,372,692 (50.1%)	\$10,328,862 (33.8%)	\$30,741,841 (46.8%)	\$36,296,223 (50.3%)	\$22,197,889 (50.0%)
Non-Certificated Salaries	\$12,344,310 (19.6%)	\$21,214,819 (17.2%)	\$6,876,746 (19.4%)	\$6,561,179 (17.9%)	\$14,726,505 (19.7%)	\$7,802,239 (25.5%)	\$13,689,481 (20.8%)	\$12,319,801 (17.1%)	\$8,316,801 (18.7%)
Benefits	\$14,869,666 (23.6%)	\$25,660,010 (20.8%)	\$7,905,251 (22.3%)	\$8,304,856 (22.6%)	\$18,439,696 (24.7%)	\$7,710,104 (25.2%)	\$15,210,518 (23.3%)	\$17,112,824 (23.7%)	\$9,427,024 (21.2%)

*Source: LACCD November 2020 Budget Book

iii. Is faculty, administration, and classified staffing level comparable with other colleges within the District?

Fall 2019	City	East	Harbor	Mission	Pierce	Southwest	Trade Tech	Valley	West
Faculty	194	344	100	103	250	85	192	199	117
Staff	273	407	132	160	278	130	236	256	188
Administrators	19	25	12	12	15	12	19	16	17
Total	486	776	244	275	543	227	447	471	322

*Source: LACCD November 2020 Budget Book

The Office of the Chancellor publishes the tentative budget each year and did so for the 2020-21 Fiscal year. That document can be found at:

<https://www.laccd.edu/Departments/CFO/budget/Documents/2020-2021%20Tentative%20Budget.pdf>

Within the document noted above, in Appendix E, pages 1 – 23, are the comparisons for staffing at all colleges within the district. It is important to note that all colleges are different even within small cohorts such as small colleges (Los Angeles Harbor, Southwest and Mission) and each college over time has established unique position staffing that fits their institutional model. While comparisons can be made, they are subject to significant variances and unique situations. The data below is what is within the adopted budget at the campus level, and it is important to note that at LAHC, the Non-Certificated Assignments have not been staffed in recent years even though they are budgeted in the year budget process.

Significant data points from this report for this question are:

	Harbor	Mission	Southwest
Certificated Assignments	371	340	346
Non-Certificated Assignments	716	744	822

*Source: LACCD November 2020 Budget Book

iv. How do expenditures by activity (instructional, instructional services, student services, and non-instructional activities) compare to other colleges in the district?

Harbor Colleges costs per FTES for instruction costs of \$3,732.92 are 5.5% higher than peer colleges Southwest, Mission and West. However, its 11% higher than the District average.

Instructional support costs of \$387.37 are 7.0% above the average cost among small colleges and 38% above the District average.

Other instructional services costs of \$305.10 are 25% above peer averages and 52% above the District average.

Harbor College's total instruction costs of \$4,425.39 are 7% higher amongst peer colleges and 15% greater than the District average.

Student Services costs of \$607.96 are 20% above peer averages in the district and 22% greater than the District average.

M&O costs of \$1,067.18 are 10% above peer averages and 31% greater than the District average.

Harbor's total non-instructional costs of \$2,675.90 is 10% greater than peer averages and 10% below District average.

Total costs per FTES of \$7,101.29 is 8% above peer averages and 5% above the District average.

- 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?

Release and reassigned FTEF for Harbor College is comparable to Mission, Southwest, and West.

- vi. How do utilities and other non-salary operating expenditures by activity compare to other colleges in the district?

LAHC utilities are one of, if not the lowest, cost items at a college within LACCD because the LAHC solar array has the ability to operate at a zero-net cost on sunny days. (See comparisons above in section e.iv.)

Section V: Enrollment Management

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?

The most recent Harbor College Enrollment Management Plan is dated 2015-2016. The plan includes appropriate data, including trends in class size, section counts, FTE projections and expenditures to achieve FTES goals, District FTES targets, and high and low enrollment courses compared with success. The overall plan includes guiding principles, guidelines for enrollment

management, and strategies for reaching FTES goals. The plan also includes scheduling priorities—Tier 1,2, and3—to provide guides for chair, deans, and the vice presidents for scheduling courses effectively. Harbor realizes the plan needs to be updated and, in Spring 2021, created an Enrollment Management Taskforce to complete the update.

Even without an updated plan, enrollment management at Harbor College has been a focus for the chairs, deans, and vice presidents for the past five years. Over that time period, the schedule of classes has been honed so that the 2019-2020 was the most efficient the College has had in decades.

To illustrate: the fall 2016 schedule, on day 14, included 925 sections with an average class size of 27.4. The fall 2019 schedule included 716 sections with an average class size of 32.7. The change in the number of sections, -209, represents the elimination of 7,315 enrollments (based on a class size of 35). Instead, enrollment decreased by only 1,928, and while any decrease is of concern, in that term overall enrollment decline was experienced District wide.

Another illustration: on day 13 of the Summer 2020 schedule, Harbor College had the highest average class size in the District at 38.9, representing 849 more enrollments than the previous summer. The 2020 schedule included 17 more sections than the previous summer, which, at 35 students per section, would equal only 595 enrollments. This gain in enrollments represents a class schedule that efficiently meets the demands of students.

Over the past five years, enrollments have declined from an FTES total of 6,646 in 2016-2017 to FTES of 5,578 in 2019-2020. This decline is consistent with all District colleges except West, which experienced a slight increase of FTES during this timeframe. Overall, the District experienced a loss of 9,192 FTES.

During this period, however, Harbor maintained a steady average class size, an indication of scheduling efficiency as the schedule was adjusted to meet the decline in enrollment (see previous chart). Headcount declined by 9 percent while the peer average increased 1.08 percent.

Headcount—Fall Semester

Year (Fall)	Headcount	Peer Colleges Avg.
2015	9,945	8,880
2016	9,157	9,317
2017	9,218	9,189
2018	9,150	9,656
2019	9,079	9,598

ii. Are academic and classified staffing adjustments consistent with the enrollment decline?

In recent years, academic and classified staffing adjustments have not been reviewed in contexts with enrollment changes. Rather, the college has been on a “freeze” in terms of any new hires.

iii. Does the college continuously analyze its enrollment trends and class offerings?

The division chairs, deans, and vice president of academic affairs continuously analyze enrollment trends and class offerings and make appropriate changes in the schedule of classes; however, this analysis needs to be informed by a comprehensive Enrollment Management Plan, a goal of the newly established Enrollment Management Taskforce.

Section VI: College's Overall Educational Program Evaluation

g. College's Overall Educational Program Evaluation

- i. Is a college's enrollment and fiscal plan consistent with its overall educational program mission?

The mission of Harbor College is:

Los Angeles Harbor College serves our diverse community by providing access to associate and transfer degrees, certificates, economic and workforce development, and adult and noncredit instruction. We promote equity, diversity, and student success through academic programs and support services that ensure our students become productive members of a global society.

Harbor's enrollment strategy is consistent with the mission of the College. Workload hours are allocated to divisions based on past enrollments and student needs/demands to complete AD-Ts and certificates. Strategic planning for growth is focused in noncredit instruction and dual enrollment (AB 288), and workload hours have been added to those efforts.

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: Requires Academic Affairs response but Institutional Research may have supporting data.

- 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

With the 2021-2022 change in the former LACCD Debt Policy, which accumulated historical deficits and tracked that debt for a year debt repayment, the deficit/debt repayment schedule was eliminated. In fact, this change in policy relieved LAHC from approximately \$6M of required debt repayment in future years. Therefore, LAHC has no debt to repay at this time.

b. Emergency loans for financial relief

Nothing exists at the current time.

c. Required actions to curtail and manage spending if certain conditions exist

These potential issues would be determined at a later date as required.



CITY
EAST
HARBOR
MISSION
PIERCE
SOUTHWEST
TRADE-TECH
VALLEY
WEST

DATE: March 4, 2021
TO: Luis Dorado, Interim President, Harbor College
Jeanette L. Gordon
FROM: Jeanette L. Gordon
Chief Financial Officer/Treasurer
SUBJECT: FIT Meeting Follow-up Request

Thank you for your participation and presentation of the Los Angeles Harbor College financial recovery plan at the FIT meeting held on February 26, 2021. The FIT team has reviewed and discussed this plan would like further information on these items below.

1. Provide projections of dollar savings for each reduction measure. Indicate whether it is one-time funding or ongoing?
2. Provide a 5-year financial forecast, including assumptions (notate any one-time dollar usage), with an implementation plan.
3. Describe the college’s marketing and outreach plans in detail.
4. Why should students come to Harbor College? Describe why it is special and discuss how this is communicated to potential students.
5. Describe the college’s online student services.
6. Describe the Enrollment Management Committee.
7. Describe the participatory governance structure at the college.

Please provide responses to me by Friday, March 26, 2021. It is anticipated, after the FIT team review of the responses, recommendations will be forwarded to you. These recommendations along with the Harbor financial recovery plan will be presented at a future District Budget Committee meeting for approval. Please let me know if you have any questions or concerns.

c: Francisco C. Rodriguez, Ph.D.
Melinda Nish
Bob Suppelsa
Bobbi Villalobos

Ryan Cornner
Deborah La Teer

FIT Team
Barry Gribbons
Mike Lee
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FITAP 2021 Follow Up Questions

Cost Measures & Five-Year Financial Forecast

Los Angeles Harbor College
5-year Forecast of the Unrestricted Budget
(factors in HEERF funds received)
As of 3/24/2021

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
LAD Est. Growth Factor			1.20%	2.50%	3.90%	2.50%
PROJECTED REVENUE	35,406,818	34,500,000	34,914,000	35,786,850	37,182,537	38,112,101
Budget Surplus Carry Over	0	10,891,247	9,690,574	7,745,268	5,977,890	4,011,995
IT Revenues refunded by District	576,822	0	0	0	0	0
Recalc Apportionment	1,364,989	0	0	0	0	0
HEERF I institutional funds	571,450	0	0	0	0	0
HEERF II institutional funds	5,281,693	0	0	0	0	0
HEERF III institutional funds	5,993,059	0	0	0	0	0
Additional revenue generation	0	600,000	600,000	600,000	600,000	600,000
Adjusted Unrestricted Budget	49,194,828	45,891,247	44,574,574	43,532,118	43,160,387	42,124,096
4% College Reserve (grow at 10% annually)	1,418,273	1,567,900	1,718,890	1,886,098	2,073,265	2,280,501
Net Budget after Reserve	47,776,555	44,323,348	42,855,685	41,646,020	41,087,122	39,843,595

PROJECTED EXPENSES

(Assumes annual COLA + CPI)

		.015+0.0157	0.0128+.0182	0.0161+.0212	.019+.024	.015+.02
110000 TEACHING, REG	6,772,835	6,184,228	6,263,386	6,364,226	6,485,146	6,582,424
120000 NON-TEACH, REG	4,725,782	4,339,919	4,395,470	4,466,237	4,551,095	4,619,362
130000 TEACHING, HRELY	6,108,860	6,416,093	6,498,219	6,602,840	6,728,294	6,829,219
140000 NON-TEACH, HRELY	359,491	339,508	343,854	349,390	356,029	361,369
190000 MISC-CERTIF SAL	0	0	0	0	0	0
TTL CERTIF SAL	17,966,968	17,279,748	17,500,929	17,782,693	18,120,565	18,382,373
200000 NON-CERTIFCD SAL	0	0	0	0	0	0
210000 CLASSIFIED, REG	5,888,044	5,397,815	5,466,907	5,554,924	5,660,467	5,745,374
220000 INSTRAL AIDE, REG	716,938	656,642	665,047	675,754	688,594	698,523
230000 SUBRELIEF, UNCLSS	260,000	263,900	267,278	271,581	276,741	280,892
240000 INSTRAL AIDE, N-PERM	220,000	223,300	226,158	229,799	234,186	237,678
290000 MISC CLASSIF SAL	0	0	0	0	0	0
TTL CLASSIF SAL	7,084,982	6,541,657	6,625,390	6,732,059	6,859,968	6,962,867
420000 BOOKS	0	0	0	0	0	0
440000 INSTRAL MEDIA MATL	0	0	0	0	0	0
450000 SUPPLIES	85,000	86,335	87,414	88,506	89,613	90,733
460000 BOOKSTORE	0	0	0	0	0	0
460000 MISC SUPPL & BKS	0	0	0	0	0	0
TTL PRINT & SUPPL	85,000	86,335	87,414	88,506	89,613	90,733
540000 INSURANCE	0	0	0	0	0	0
550000 UTILIT & HSORING	1,507,011	1,378,316	1,395,545	1,412,989	1,430,652	1,448,535
560000 CONTRACTS & RNTL	372,336	302,004	305,779	309,601	313,471	317,390
570000 LEGAL, ELECT, AUDIT	0	0	0	0	0	0
580000 OTHER EXP (NB W/alloc, P for Yr Adj, EDC mandate)	637,634	495,290	501,481	507,749	514,096	520,523
590000 MISC OTH EXP	0	0	0	0	0	0
TTL OPER EXP	2,516,981	2,175,610	2,202,805	2,236,340	2,258,220	2,286,447
610000 SITES	0	0	0	0	0	0
620000 BUILDINGS	0	0	0	0	0	0
640000 EQUIPMENT	49,014	49,784	50,406	51,036	51,674	52,320
650000 OTH CAPITAL OUTLY	9,100	9,243	9,358	9,475	9,594	9,714
660000 MISC	0	0	0	0	0	0
TTL CAPITAL OUTLY	58,114	59,026	59,764	60,511	61,268	62,034
710000 DEBT SERVICE	0	0	0	0	0	0
720000 TUITION TRANSFERS	0	0	0	0	0	0
730000 INTERFUND TRANSFER	203,553	206,749	209,333	211,950	214,599	217,282
736790 INTRAFUND BETWEEN LOCATIONS	650,000	507,850	514,196	520,626	527,133	533,723
736800 INTRAFUND - UNRES	0	0	0	0	0	0
736900 INTRAFUND TRANSFER	189,967	192,949	195,361	197,803	200,276	202,779
740000 REALLOCATION/ADJ	0	0	0	0	0	0
750000 LOANS/GRANTS	0	0	0	0	0	0
760000 LOANS/GRANTS	0	0	0	0	0	0
790000 CONTINGUNALOC (incl 79910)	0	0	0	0	0	0
TTL OTHER	1,043,520	907,548	918,893	930,379	942,009	953,784
LESS INTRAUNRES	0	0	0	0	0	0
TOTAL EXPENDITURES w/o benefits	28,755,565	27,049,924	27,395,194	27,824,489	28,331,641	28,748,238
360000 MISC EMPL BEN	8,131,743	7,622,849	7,720,422	7,844,721	8,743,186	8,874,334
TOTAL EXPENDITURES w/benefits	36,887,308	34,672,773	35,115,616	35,669,210	37,074,827	37,622,572
TOTAL BUDGET VARIANCE	10,891,247	9,660,574	7,745,268	5,977,850	4,011,995	2,220,603

*excel matrix of above document is attached as separate document



2020/21 The above 5-year forecast factors in HEERF I, II, & III institutional funds received by Harbor College.

FY 2022 Harbor is expected to be able to balance its budget in the current year even without HEERF relief due in part to the added funds & 2023 from the recalculation apportionment, the IT refunds given back by the District, and to savings found in certified salaries, classified salaries, and M&O expenses as a result of belt-tightening in the second half of the fiscal year. Consequently, a sizable budget surplus will be carried forward into 2021/22. In the 2021/22 fiscal year, a sharp 5% salary reduction to certified and classified salary expense will be implemented to address the historical deficit spending at Harbor. This will result in about \$1.2 million in savings, approximately half of which will come from SRP positions that will not be replaced, and the other half from additional attrition, reductions in overtime and extra assignments, position controls, and improvements to enrollment management. In addition, Harbor plans to reduce expenditures by 13% in the areas of supplies, M&O, and capital expenditures. Efforts will also be made to increase enrollment, leverage SCFF factors, improve the performance of the bookstore and CDC, and enhance the revenues of the swap meet by charging for parking and other add-on services.

2024 & Beyond Fiscal years 2024 and beyond will benefit from budget surplus carryovers, however, certified and classified salaries will need to be held steady as increases in the cost of OPEB, CPI, and COLA are expected to outpace growth. Harbor will have to carefully manage spending, take advantage of attrition, and practice strong position control to retain a healthy financial position.

** When comparing the two versions of the 5-year forecast (one that ignores HEERF funds and one that includes them), both implement a steep 5% reduction in certificated and classified salaries to address the structural deficit at Harbor. As can be seen in the models, the HEERF funds allow the college to build a much larger reserve. While the non-HEERF scenario results in a 1.5% reserve, the HEERF model starts off with a 4% reserve which grows to a healthy 6%, \$ 2.3 million reserve by FY 2026. In addition, the HEERF model allows for healthy annual budget surpluses while the non-HEERF model results in very tight budget scenarios for several consecutive years.

Assumptions:

1. Projected revenues based on growth factors from LAO forecasts
2. Projected expenses adjusted for COLA and CPI factors from SSC Community College Financial Projection Dartboard

Web & Marketing

Harbor has made great strides in marketing and branding the College, including the implementation of a geo-fencing and geo-target marketing campaigns that include bus and billboard campaign to boost enrollments. The marketing committee has also deployed different marketing strategies that include a website re-design (in-house), graphic design print, radio ads and coordinated social media campaigns.

The Web & Marketing Committee is in the process of launching a re-engagement marketing campaign that takes into account our new enrollment reality. The pandemic has thought us valuable lessons when it comes to marketing, as a result we are re-invent how we advertise our programs in general and, most importantly, how we market these programs to our students. We can no longer rely on a region model. Now that students have access to all community colleges in the State of California. This marketing re-engagement campaign will also incorporate our return to campus, we have identified several strategies to bring awareness about Harbor both internally and externally.

- Logo
 - While the conversation is ongoing, the committee has entertained the possibility of upgrading our campus logo to make it more fierce and visually attractive. We believe that the college logo is characteristic and symbolic of what our campus represents—as such, contemplating the possibility of changing it up to align more closely with the campus's vision and mission will be one way to create visibility and attention to our campus.
- Marketing Videos
 - Visual representation of what our campus offers is another tactic we will be employing to showcase our programs and target diverse communities within our campus (i.e., Spanish speakers, ESL, students, etc.). The videos will be informational but concise in delivering key information about our campus, particularly our programs and the availability of resources to our students.
- Banners
 - We are working with the committee and Facilities to determine whether we can place banners on our light poles. This will foster a more friendly and welcoming environment for students upon return to campus. Featuring students in our banners and the use of motivational phrases will serve as encouraging reminders for our students that Harbor is the place to be. The versatility, durability, and efficacy of banners will help brand our campus and our programs. Discussion on the placement of banners will continue (inside the campus or on entryways); however, we will be strategic in using this advertising tool.
- T-Shirts
 - Placing our campus' logo with an inspirational phrase in t-shirts for both students and staff would also help promote our school inside and outside the campus. It's a marketing strategy that is effective and garners attention. The shirt will create campus awareness amongst diverse communities and serve as a great marketing tool. The t-shirt provides a sense of identity in the campus for students and staff while also proving beneficial promotionally at events, conferences, meetings, and other gatherings, leading to increased visibility to the outside community.



We are also testing re-introducing Harbor College’s motto of, “*Education Changes Everything*” to “*Harbor College where the Student comes First!*” It’s currently going through our participatory governance process.

Outreach

Our Outreach and Recruitment Team recruit new Seahawks by providing various resources, activities, and support to our feeder high schools and community agencies we serve. Central to our outreach and recruitment efforts is our Early Decision Program. Early Decision is comprised of a series of activities that build on each other and culminate in students attending their first day of class. For this portion of our enrollment management, students are assisted from prospect to registered student. Students who participate in Early Decision are granted priority registration for the Fall and Spring semester of their first year (Tier 2 – LA College Promise). Early Decision program design include: early outreach, various workshops, abbreviated student educational plans (A-SEP) conducted at their high school, and a comprehensive onboarding process. Below is a sample flow map with the various outreach & recruitment events that are specific to each of our feeder high schools:

*Los Angeles Harbor College
Outreach & Recruitment Plan
2019 – 2020*

Date	Event
May 2019	Junior Day <ul style="list-style-type: none"> ➤ Welcome by President ➤ ASO Activities ➤ Entertainment ➤ Student Services Resource Fair ➤ Academic Affairs Resource Fair ➤ Special Programs Presentations
September 2019 - October 2019	Application Workshops <ul style="list-style-type: none"> ➤ On-line through CCC Apply ➤ Conducted at feeder high schools ➤ LACCD email assigned to students ➤ Students invited to like LAHC Facebook & Instagram Social Media for updates
December 2019 – March 2020	FAFSA Late Nights Workshops <ul style="list-style-type: none"> ➤ Create FAFSA ID for student & parents ➤ On-line workshops at feeder high schools ➤ Ensure Cal Grant Verification submitted for students by high school ➤ Workshops done in the evening ➤ Saturday workshop at LAHC
December 2019 – April 2020	Scholarship Workshops <ul style="list-style-type: none"> ➤ Conducted at feeder high schools



	<ul style="list-style-type: none"> ➤ Partner up with LAHC Foundation
February 2020 – April 2020	<p>Orientation & Counseling</p> <ul style="list-style-type: none"> ➤ Conducted at feeder high schools ➤ Register for VIP
April 2020 – May 2020	<p>VIP Visit to LAHC – Onboarding</p> <ul style="list-style-type: none"> ➤ Harbor Advantage ➤ Equity & Special Program Presentations ➤ Register for Summer Bridge 2020 & Fall 2020 ➤ Photo ID
August 2020	<p>LAHC Zero Week Activities</p> <ul style="list-style-type: none"> ➤ Personal Invitation to Harborpalloza ➤ Campus Tours led by ASO ➤ Student Services Resources Fair ➤ Academic Affairs Resources Fair ➤ Counselor Quick Question Booth ➤ Student Ambassadors
August 2020 – September 2020	<p>LAHC Welcome Week</p> <ul style="list-style-type: none"> ➤ Counselor Quick Question Booth ➤ Open Class Info Booth ➤ Special Programs Recruitment ➤ Add/Drop Assistance in Welcome Center ➤ Fee Waivers in Financial Aid Only ➤ Core Student Services open Saturday

A hallmark of our strategy is *intrusive outreach and recruitment* that capitalizes on our rich campus history and over 72 two years of serving the community. Our Team also conducts weekly visits to feeder and other high schools. The team visits our nine feeder high schools once a week and visits non-feeder high schools once bi-monthly. The weekly visits consist of a predetermined calendar as illustrated above with the schools.

Proven Outreach Strategies Utilized:

- Branding Harbor College
- Effectively target potential Harbor Students
- Early Decision
- On-Site Admissions
- High Schools Seniors—Presentation in English Classes
- High School Campus Visits
- Counseling & Orientation conducted at feeder high schools

Intrusive Outreach:

- Phone Calls
- Answering Phones by live person

- Text Messages
- Math and English classroom presentations
- Reach out to applied but not registered list of potential students
- Contact and place students in alternate classes when cancelling classes

Creating a Student-Centered Harbor Website:

- Responsive website design
- Use of web analytics such as Web Heat Maps
- Student Focus Groups

Strategic Social Media:

- Grad Guru
- Facebook, Twitter, Instagram, and Tik Tok
- Email (monitored by staff who reply to students within 24 hours)

Community Outreach:

- Non-Profit Organizations
- Continuation Schools
- Church Organizations
- High School PTA
- Non-credit adult education

All the strategies above feed our recruitment funnel as depicted below:



A huge component of our plan is our Welcome Center which was established in August 2017. The center serves as the on-campus intervention point for in-reach and outreach services. The center was created as our student triage site. Since its inception the center has had a huge impact on our application conversion rates. Staff are trained to immediately assist students who encounter barriers in their college on-boarding process. The Welcome Center assist's students with a variety of needs:

- Complete the online LA Harbor College application for admission via CCC Apply
- Register for classes
- Drop or withdraw classes
- Obtain “permission/add” codes to add classes after the start date
- Complete the FAFSA application
- Direct (personally walk) students to appropriate offices for specific assistance
- Answer the phone
- Reply to student email inquiries within 48 hours

Once the pandemic hit our Outreach & Recruitment Team continued to provide services remotely via the Outreach Virtual Zoom Office. As of date the virtual office has assisted *over 8,500* students with general questions, incoming and outgoing phone calls, enrollment, counseling appointments, success workshops, and others. In addition to the Outreach Virtual Zoom office, the Outreach Team continued to provide the following services remotely:

- School classroom presentations and workshops via zoom
- Provide Los Angeles Harbor College Promise Information Workshop (LACP)
- Provide Information Workshop about LAHC
- Provide Financial Application Workshop (FAFSA Application)
- Attend and participate in Cash for College Events
- Assistance with college enrollment
- Assistance with class registration
- Virtual Community Outreach

In providing the continued services, our goals are to:

1. Maintain current students
2. Attract new students, and retain the students we've recruited
3. Increase outreach to high school students, teachers, and counselors, recent high school graduates, and parents
4. Utilize social media platforms through targeted advertising, engaging content, and creative messaging in a form that is relevant to high school students, recent graduates, and other prospective students
5. Grow FTES generation to State-funded

In summary, during this historic pandemic, student services support for students has been more crucial than ever.



Why Harbor College

Los Angeles Harbor College truly captures the small liberal arts college nostalgia. A feeling where students can truly feel the support from fellow Seahawks, counseling faculty, faculty, staff and administrators. However, words or statements can't capture our student's feelings. Here are four videos that will tell you why Harbor:

Meet Betty Escobar - First Generation College and Transfer Student

<https://vimeo.com/485628460/a0cb2b5d09>

Meet Ahijah Williams - AWS (Amazon Web Services) Student

<https://vimeo.com/485628191/6a977fc7f1>

Meet Juan Garcia - Culinary Arts Student

<https://vimeo.com/485691422/6eb68274c0>

Meet Tania Ledesma-Chavez - STEM Student

<https://vimeo.com/485628752/44ebe5f6e3>

Online Student Services

During the pandemic we have adapted by constructing different communication methods with our students. All offices are available through Fresh Caller (phone) and Fresh Desk (email). These two services are complimented by our live chat services via Cranium Cafe. Live virtual lobbies for those offices are also available. Our Outreach and Harbor Advantage Virtual Office open daily. Students are able to zoom in for a quick question, get assistance in registering for their classes, or meet with a counselor. We are also using this virtual office as our triage office. Especially during this remote learning environment, students feel it is beneficial to see a friendly face and know that they have a place to connect to Harbor College Staff. Click on the following links for a glimpse at our services:

Welcome Center -

https://effectiveness.lahc.edu/student_services/outreach/SitePages/Outreach%20Recruitment%20Page.aspx

Counseling -

https://effectiveness.lahc.edu/student_services/counseling/SitePages/Home.aspx

Enrollment Management Taskforce (EMT)

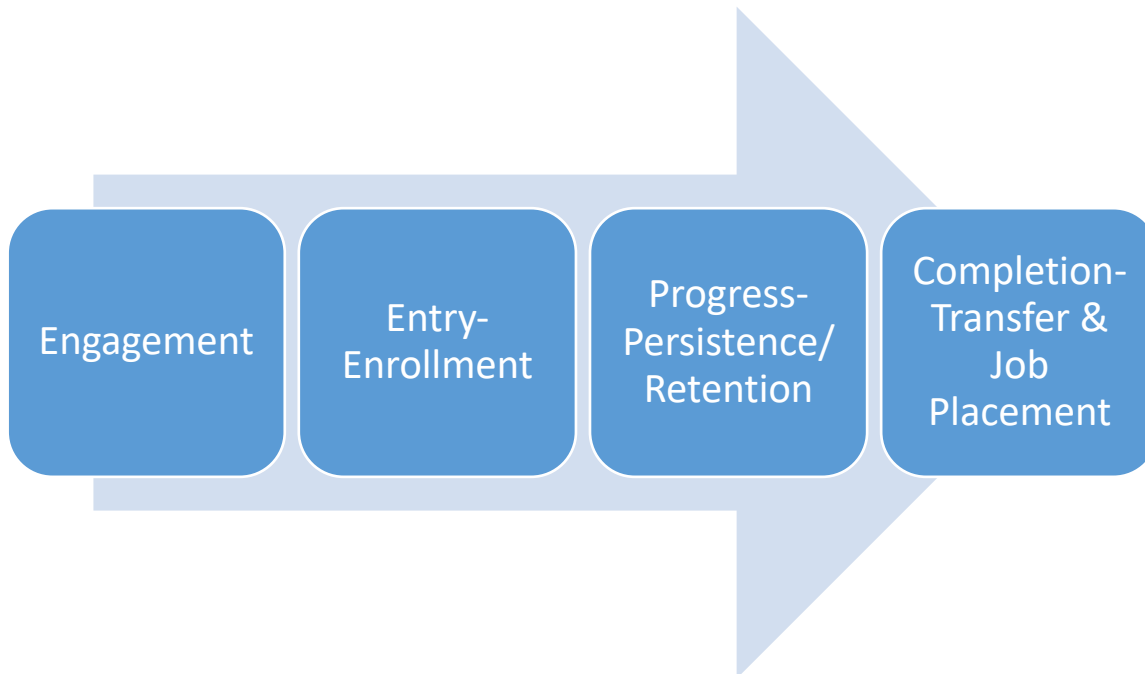
The newly convened Enrollment Management Taskforce was formed to formalize the enrollment management efforts at the college. The membership includes faculty and staff in key positions at the college that directly impact enrollment management strategies: the vice president of academic affairs, vice of student services, curriculum chair, a division chair, counseling chair, director of admissions and records, dean of student services, dean of academic affairs, distance education coordinator, dean of outreach, dean adult education, instructional aid in the Learning Resource Center, one faculty-at-large, ASO representative, and an Institutional Effectiveness analysis.

The initial goal of the EMT is to review data and create an enrollment management plan that recognizes that enrollment management is a campus wide effort. The *Roadmap for Strategic Enrollment Management Planning*, created by the Institutional Effectiveness Partnership Initiative, will guide the work of the EMT. The Roadmap states the purpose of strategic enrollment management is to:

- Establish comprehensive student enrollment goals aligned with the college’s mission and strategic plan.
- Promote student success by improving access, engagement, persistence, and completion.
- Ensure fiscal stability and viability by optimizing enrollments and integrating strategic enrollment management into financial planning, budgeting, and allocation processes.
- Offer quality and relevant programs with clear educational pathways, course offerings, and appropriate student support.
- Implement strategies that lead to equitable access and outcomes.
- Create a data-rich environment to inform decisions and evaluate strategies.
- Design and implement communications and marketing with internal and external stakeholders to increase understanding of SEM and to meet SEM goals.
- Increase collaboration among departments across the campus to support the enrollment program.

Other goals include making recommendations as the college implements the Re Engagement Plan and creating the formal request to create the Enrollment Management Committee.

Enrollment Management Plan Flow Chart:



- A. Engagement:** Initial Contact through submission of application
- a. Marketing
 - b. Outreach & Recruitment

- c. Pathway's promotion
 - d. Adult Learners
- B. Entry/ Enrollment:** Student support through completion of AB 705 Requirements
- a. Marketing & Communication
 - b. Pathways advising
 - c. Student Support programs- Harbor Advantage, Equity programs
 - d. Transition support for Adult Learners and working adults
- C. Progress: Persistence and Retention**
- a. Scheduling- Innovation and alternate modalities, first year and 2nd year.
 - b. Curriculum- Current and relevant
 - c. Student Learning outcomes- measurable student achievement
 - d. Student retention collaborations
 - e. Student Success- Completion/ Transfer teams
 - f. Student Support for Online Learners
 - g. Student wellness and retention supports
- D. Completion: Transfer and Job Placement**
- a. Second year student success
 - b. Transition/ Transfer connections
 - c. Job placement Services- Career Education and Adult Ed

Participatory Governance structure

Harbor College participatory governance structure is set up as follows:

Section 1

The President will rely primarily on the College Academic Senate concerning the following matters:

- Curriculum, including establishing prerequisites and placing courses within disciplines
- Degree and certificate requirements
- Grading policies
- Policies for faculty professional development activities
- Process for program review
- Faculty roles and involvement in accreditation processes, including self -study and annual reports

The President in agreement with the AFT contract will reach mutual agreement with the College Academic Senate on the following policies:

- Educational program development
- District and College governance as related to faculty roles
- Processes for institutional planning and budget development
- Standards or policies regarding student preparation and success

- Other academic and professional matters as are mutually agreed upon by the College

There are standing committees of the Academic Senate that impact students and staff directly in relation to the mandated areas of participation. The Academic Senate will assure student, staff, and administrative participation in all areas that directly impact them as indicated by AB 1725 and in compliance with the current AFT agreement, Article 32.

Section 2

Classified Staff

The College will encourage classified staff to take an active role in participatory governance by giving them appropriate release time from regular duties to fulfill CPC duties.

Section 3

Students

The students are represented in the participatory governance process through the Associated Students. In the following areas that have a significant effect on students, the Board and the administration are required to "give respectful consideration to the opinions expressed" by the Associated Students before taking action:

1. Grading policies
2. Codes of student conduct
3. Academic disciplinary policies
4. Curriculum development
5. Courses or programs that should be initiated or discontinued
6. Processes for institutional planning and budget development
7. Standards or policies regarding student preparation or success
8. Student and learning services planning and development
9. Student fees within the authority of the District to adopt
10. Any other matter that the Board of Trustees determines will have a significant effect on students.

The Associated Student Body President also is given the responsibility to appoint student members to College committees, task forces, or other groups dealing with the issues listed above.

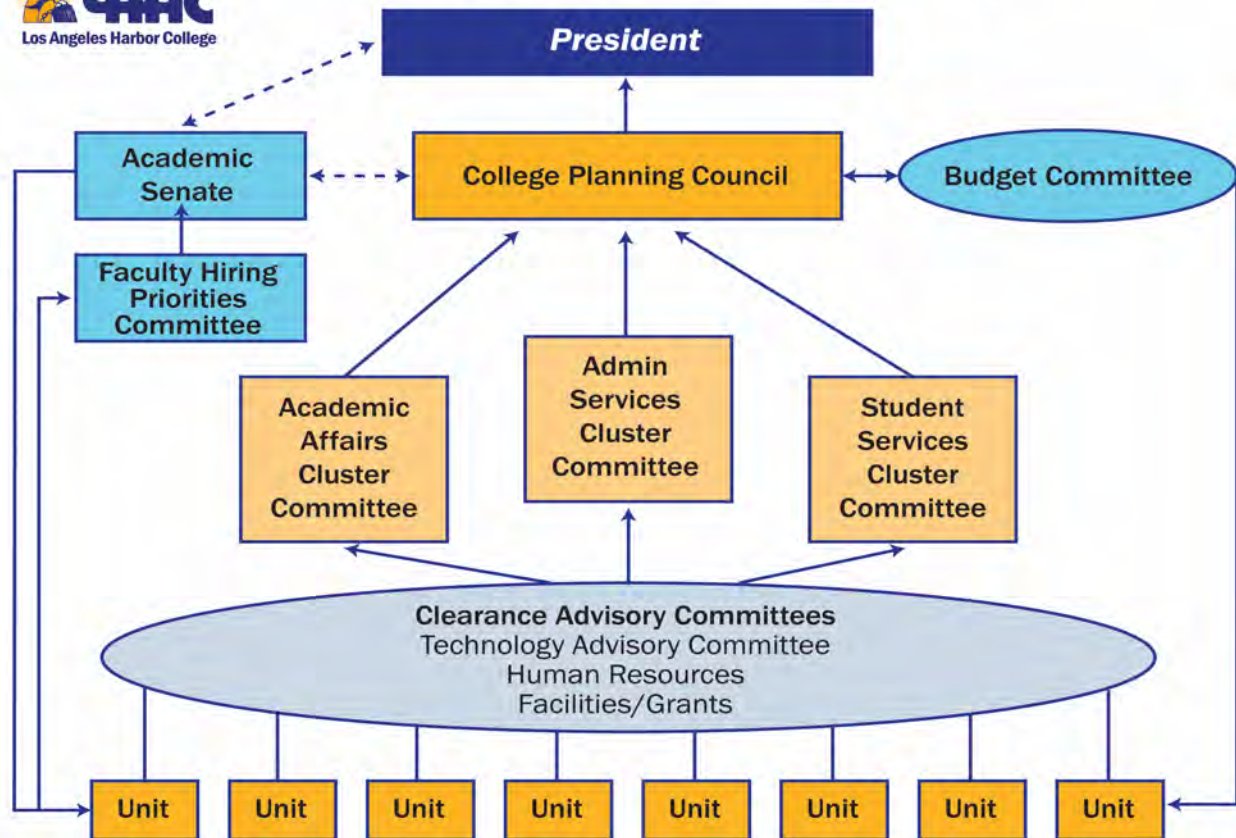
Section 4

Administrators

Administrators are responsible for providing effective leadership for and support of faculty and staff in the planning, implementation, and monitoring of District and College activities while maintaining compliance with State regulations, laws, all bargaining agreements, and District policies. Administrators are included in the general participatory governance process and recommend policies, procedures, and priorities for the College to the President, and carry out their responsibilities in a collaborative manner that supports and maintains the spirit and letter of participatory governance.



Harbor College Shared Governance Structure



FINANCIAL INTERVENTION TEAM

FOLLOW UP REPORT

Los Angeles Harbor College

Dr. Luis Dorado, Interim President

WITH SPECIAL THANKS TO: Los Angeles Community College District Board of Trustees, Chancellor Francisco Rodriguez, Los Angeles Harbor College Faculty, Staff and Administrators and its shared governance bodies, Interim Vice President Nicole Albo-Lopez, Vice President Bob Suppelsa, Vice President Bobbi Villalobos and ...our wonderful Seahawk family!

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Executive Summary

As a small college within the Los Angeles Community College District (LACCD), Los Angeles Harbor College (Harbor College) has struggled to balance its budget historically. The college had been on track to balance its budget for the third year in a row in 2019-2020, but the COVID-19 pandemic struck, which impacted the college and it found itself unable to balance its budget in 2019-2020. Figure 1 below shows the impact of the pandemic. As a result of its projected deficit, Harbor College was required to submit a Financial Intervention Team Action Plan (FITAP) to the District Budget Committee (DBC) for its review and did so. Follow up questions were asked by the team and responses submitted. Further questions were asked and this report contains the answers to those follow up questions.

Harbor’s initial budget projections at its first FITAP Report for 2020-2021 showed a projected deficit of \$5,229,486. However, with the infusion of much-needed one-time funds from the federal CARES ACT/HEERF disbursements, the college was able to glean financial advantages from the usage of those one-time funds and capitalize on the 40% overhead rate allowance to use appropriate expenditures from the General Fund to the CARES ACT/HEERF funds. Harbor recognizes that these COVID-19 relief funds are one-time funding only and are restricted in their allowable usage. Along with a sound, well-thought-out financial plan for the future, the Harbor Team anticipates getting out of its deficit quickly.

Figure 1: Five Year Historical Spending Patterns at Harbor College, 2016-2017 to present

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Budget Allocation	\$35,144,699	\$35,846,325	\$36,579,051	\$38,266,223	\$35,427,319
Total Expenditures	\$36,950,695	\$35,789,199	\$36,303,574	\$39,759,131	\$40,656,815
Balance/(Deficit)	(\$1,805,996)	\$57,126	\$275,477	(\$1,492,908)	(\$5,229,496)
Deficit %	-5%	.15%	.75%	-4.0%	-15%

Harbor College acknowledges that there is still work to be done to analyze its budget and strategically make cuts where appropriate but much hard work has been done as well and the entire campus community is to be truly commended. The Harbor Team is committed and working hard with great care for students and our solvency. We’ll highlight the work that has been done first, and then highlight the work that is ongoing and expected for the future.

Efforts that have already occurred include:

- Summer 2020: a joint College Planning Council (CPC) and Academic Senate Ad Hoc Budget Reduction Taskforce was created to analyze budget condition and look at data to determine best financial practices and suggest opportunities for cuts.
- Committee work resulted in over 10 recommendations for cost cutting and revenue generation which are outlined in Figure 8 below.
- A Data Summit was held to stimulate campus-wide budget dialogue. From this dialogue, an Enrollment Management Taskforce was created.

Since assuming the Presidency of Harbor in December, 2020, Dr. Luis Dorado worked to lead the college through this “first pass” at the budget challenges and made great headway. Much credit goes to the faculty, staff and administrators at Harbor who worked tirelessly on this project.

After the “first pass” triage on the budget, college identified that there are still things left to do to bring itself permanently into a balanced budget. Harbor continues to focus its efforts on stabilizing its budget and to that end, has a number of efforts underway for the Summer, 2021 and Fall, 2021. A “second pass” at the budget will now allow the shared governance bodies to go through the budget with a fine-toothed comb a second time to glean additional ongoing savings. To that end, we have notated below the measures the college will take to take that “second pass” at the budget. Each year, we will take two to three passes at the budget, to continually monitor progress and adjust as needed.

Future efforts during Summer 2021 include:

- **Performing** an analysis of all CARES ACT/HEERF funds and ensuring the college has executed usage of the allowable 40% indirect cost recovery.
- **Ensuring** all CARES ACT/HEERF funds are expended in accordance with regulations and complete an expenditure plan to share with shared governance bodies to transparently communicate the necessary spending to bring the campus to a clean and safe level, including the transformation of various instructional spaces to hybrid learning and equipped with related technology. Faculty and staff are deeply committed to having a college environment that provides robust learning environments for students and looks forward to making progress on this this year. Faculty, staff and administrators will have an opportunity to receive equipment, software, instructional materials and the like that would be necessary to deliver instruction and services upon re-engagement.
- **Auditing** payroll records to compare them against budget documents to ensure that every employee that is on payroll is recognized in the budget and making updates.

- **Performing** multi-year analysis on the major general ledger codes. Harbor will look at its spending patterns against current needs and consider adjustments both up and down.
- **Performing** an analysis of staffing levels in major departments to ensure we are properly staffed in all areas to effectively deliver instruction and support services on a campus that is clean, up to date, and beautiful for our students and employees.
- **Taking** a second pass at the monthly, quarterly and multi-year projections given the latest CARES ACT/HEERF funding and ensuring we are capitalizing on opportunities. New information from the various analyses above will be floated into the updated projections and any new projected fund balance updates will be shared in shared governance.
- **Identifying** ways to maximize the Student-Centered Funding Formula (SCFF) to glean ways to increase revenue. To that end, Harbor will work through strategies to increase enrollment, retention, completions, transfers, English and Math attainment within the first year, increase Pell Grant awards, and look for areas of potential revenue growth in the formula. By increasing these metrics as well as improving our Financial Aid conversion rate (currently at 42%) and Applicant to Enrollee conversion rate, we can glean revenue while students succeed. Faculty and staff are deeply committed to our students' success.

Harbor College is grateful for the time and care its FITAP visiting team gave to the process and looks forward to receiving suggestions. We acknowledge that this problem has existed over multiple years; however, there has been tremendous progress on identifying solutions, and by the Fall, we should be in good shape to have updated financial projections, a listing of any further cuts that need to be made, and a plan for how to drive revenue and student success through the SCFF. That should close out this calendar year well.

Harbor acknowledges that the first pass of work it did on the budget was excellent; and, work needs to be done to permanently resolve the issues. With full input of the college community, a strategy has been laid out to fully analyze the budget line by line and devise a permanent strategy. Then, once the analysis has been done this summer, the strategy will be executed on during the Fall and the college will be well on its way to permanent solutions.

The visiting team has asked Harbor a few follow up questions and we will provide responses below.

Follow-Up Questions from Visiting Fiscal Intervention Team

The visiting team asked the college to provide responses to its questions which are as follows:

1. What specific programs are Harbor going to grow to increase FTES?
2. Update FY20-21 revenue, specifically recalculation revenue may be overstated.
3. Review use of LAO "growth" factor; COLA may be more appropriate as that was used in expenses.
4. Review use of HEERF funding as a revenue source. As direct HEERF cannot be transferred to Unrestricted GF, clarify if the intent is to transfer expenses to HEERF or if HEERF indirect dollars will be used. If indirect dollars, what is the timing?
5. What are the itemized expenditure reductions (line item detail with dollar amount)?
6. Is Harbor College going to use the 2019-20 outreach plan in 2021-22 expecting the same results previously achieved?
7. No additional expense for ad buys is indicated. Is Harbor College using existing ad buys?
8. How is the Harbor outreach and recruitment plan taking into account declining HS enrollment?
9. How will Harbor College manage this plan without replacing SRP retirements?

The answers to these questions are provided below.

Harbor College Response to Question #1: What specific programs is Harbor College going to grow to increase its FTES?

Harbor has experienced enrollment declines since 2015-2016.

Enrollment in 2015-2016:	7009
Enrollment in 2016-2017:	6446 (5.17% decrease from previous year)
Enrollment in 2017-2018:	6227 (6.3% decrease from previous year)
Enrollment in 2018-2019:	5688 (8.4% decrease from previous year)
Enrollment in 2019-2020:	5578 (1.9% decrease from previous year)

TOTAL ENROLLMENT DECREASE SINCE 2015-2016: 20.4%

Specifically, the college has seen declines in first-time students. Since Fall 2019, Harbor has experienced a 28.3% drop in first-time students.

Simultaneously, the cost structure at Harbor has continued to increase. Figures 3 and 4 below show that during this time period, expenditures per FTES increased from \$5165 to \$7128, a 38% increase. So, we have a 20.4% drop in enrollment juxtaposed against a 38% increase in expenditures per FTES. There are statutory salary and benefits increases which account for some of this, and the budget as a whole needs will be examined for solutions. This process is underway, and is involving all campus constituencies. An Enrollment Management Strategies Assessment was held in May, 2021 that provided a framework for growing enrollment and reflected feedback from the IEPI visiting team. Highlights of this assessment that will be key to driving enrollment increases include:

- a. **Establish comprehensive enrollment goals and targets that align with the college's mission and strategic plan.** Provide schedules that meet educational needs without time conflicts. Improve block scheduling. Student-centered scheduling, design ways to increase credit attainment. Create ADT maps.
- b. **Promote student success by improving access, engagement, persistence and completion.** Design short-term Adult Education programs, expand dual enrollment, improve number of students on educational plans.
- c. **Ensure fiscal stability and viability by optimizing enrollments and integrating strategic enrollment management into financial planning, budgeting and allocation processes.** Unit planning and semester maps. Monitor class size.
- d. **Offer quality and relevant programs with clear educational pathways, course offerings, and appropriate student supports.** Update course curriculum, Guided Pathways, embedded tutoring, development of multiple ADTs.
- e. **Implement strategies that lead to equitable access and outcomes.** Increase distance education offerings, offer basic needs, offer scholarships and laptops, open Basic Needs Office, expand Financial Aid awareness.
- f. **Create a data-rich environment to inform decisions and evaluate strategies.** Use eLumen assessment tools, use data to inform decision making.
- g. **Design and implement communications and marketing with internal and external stakeholders to increase understanding of SEM and to meet SEM goals.** Form Marketing and Web Group, update Adult Education catalog, increase social media marketing.
- h. **Increase collaboration among departments across the campus to support the enrollment program.**

Harbor intends to grow its Adult Education/Non-Credit programs along with concurrent enrollment.

Harbor College Response to Question #2: Please update the FY20-21 revenue, as recalculation revenue may be overstated.

The Harbor Administrative Services Team prepared the following monthly projection for April, 2020 and submitted it to the DO Budget and Finance Office.

Figure 2: Monthly Financial Projection, April 2020

Los Angeles Harbor College									
MONTHLY PROJECTION - April 2021									
Based on 2020-21 March Closing									
REVENUE:		2020-21							
		[a] 2020-21 Current Budget as of 03/31/21			[b] Projected Revenue as of 03/31/21	[c] Revenue Increase +	[d] Revenue Decrease (-)	[e] Ref.	[f] = [b]+[c]+[d] Projected Revenue as of 04/30/21
2019-20 Ending Balance (including Open Orders)		-			0				0
2020-21 DO, DW, ITV Balances Redistribution		0			0				0
2020-21 Final Budget Allocation w/o Balance		35,427,319			34,627,319				34,627,319
Revenues after Final Budget (details listed on MoProj_Backup page)		1,002,999			(20,504)				(20,504)
					6,010,652		3,768,557		2,242,095
PROJECTED REVENUE		36,430,318			40,617,467	0	3,768,557		36,848,910
EXPENDITURES:		2020-21 Current Budget as of 03/31/21	2020-21 Current Actuals as of 03/31/21	2019-20 YE as of 08/10/20	Projected Expenditure as of 03/31/21	Expenditure Increase +	Expenditure Decrease (-)	Ref.	Projected Expenditure as of 04/30/21
110000	TEACHING, REG	7,073,027	4,889,039	6,911,346	6,807,835	105,000			6,912,835
120000	NON-TEACH, REG	3,525,782	3,254,133	3,904,618	4,580,348		1,077,583		3,502,765
130000	TEACHING, HRLY	5,907,050	4,742,867	7,475,640	6,314,798	1,160,000			7,474,798
140000	NON-TEACH, HRLY	59,491	343,863	442,610	458,987		130,350		328,637
190000	MISC-CERTIF SAL	0	0	0	0				0
	TTL CERTIF SAL	16,565,350	13,229,902	18,734,214	18,161,968	1,265,000	1,207,933		18,219,035
200000	NON-CERTIFD SAL	-	-	0	0				0
210000	CLASSIFIED, REG	5,948,044	4,306,763	5,710,459	5,778,044		313,084		5,464,960
220000	INSTR'L AIDE, REG	746,938	485,435	1,154,938	711,938		122,496		589,442
230000	SUB/RELIEF, UNCLSS	467,500	214,042	524,726	336,845				336,845
240000	INSTR'L AIDE, N-PERM	100,000	149,275	236,023	470,000		125,000		345,000
290000	MISC. CLASSIF SAL	-	-	0	0				0
	TTL CLASSIF SAL	7,262,482	5,155,515	7,626,147	7,296,827	0	560,580		6,736,247
420000	BOOKS	1,413	0	6,570	0				0

440000	INSTR'L MEDIA MATL	227	0	0	0			0
450000	SUPPLIES	268,267	73,121	295,327	85,327			85,327
460000	BOOKSTORE	0	0	0	0			0
490000	MISC SUPPL & BKS	0	0	0	0			0
	TTL PRINT & SUPPL	269,907	73,121	301,897	85,327	0	0	85,327
540000	INSURANCE	3,000	0	0	0			0
550000	UTILIT & HSKPING	1,704,751	997,113	1,791,306	1,512,011		250,000	1,262,011
560000	CONTRACTS & RNTL	497,456	67,077	294,029	267,336		150,000	117,336
570000	LEGAL, ELECT, AUDIT	0	0	0	0			0
580000	OTHER EXPENSE	746,069	217,492	514,143	279,634	925,000		1,204,634
590000	MISC OTH EXP	0	0	0	0			0
	TTL OPER EXP	2,951,276	1,281,681	2,599,478	2,058,981	925,000	400,000	2,583,981
610000	SITES	0	0	0	0			0
620000	BUILDINGS	0	0	0	0			0
640000	EQUIPMENT	194,714	43,005	211,592	64,014			64,014
650000	OTH CAPITAL OUTLY	43,665	(456)	27,448	9,547			9,547
690000	MISC.	0	0	0	0			0
	TTL CAPITAL OUTLY	238,379	42,550	239,041	73,561	0	0	73,561
710000	DEBT SERVICE	0	0	0	0			0
720000	TUITION TRANSFERS	0	0	0	0			0
730000	INTERFUND TRANSFER	203,553	203,553	0	203,553			203,553
739700	INTRAFUND BETWEEN LOCATIONS	0	0	0	200,000			200,000
739800	INTRAFUND - UNRES	0	0	0	0			0
739900	INTRAFUND TRANSFER	189,967	192,310	483,606	189,967			189,967
740000	REALLOCATION/ADJ	0	0	584,367	0			0
750000	LOANS/GRANTS	0	0	0	0			0
760000	LOANS/GRANTS	0	0	0	0			0
790000	CONTING/UNALLOC (excl 799110)	617,661	-	0	0			0
	TTL OTHER	1,011,181	395,863	1,067,973	593,520	0	0	593,520
	LESS INTRA/UNRES	0		0				
TOTAL EXPENDITURES w\o benefits		28,298,575	20,178,631	30,568,750	28,270,184	2,190,000	2,168,513	28,291,671
3x0000	MISC EMPL BEN	8,131,743	6,844,352	9,190,381	9,122,283		585,477	8,536,806
TOTAL EXPENDITURES w\benefits		36,430,318	27,022,983	39,759,131	37,392,467	2,190,000	2,753,990	36,828,477
799110	REMAINING DEFICIT GAP	0	-	0	0			0
TOTAL NET EXPENDITURES w\benefits		36,430,318	27,022,983	39,759,131	37,392,467	2,190,000	2,753,990	36,828,477
PROJECTED ENDING BALANCE					3,225,000			20,433

As part of the second pass at the budget, Harbor will make the following adjustments to its monthly report and submit an updated report for June, 2021:

- Update the Revenues after Final Budget number from its current position at \$2,242,095. This number needs to be adjusted to zero and then be adjusted up or down by the following: P1 adjustment of \$162,317 needs to be reflected along with an adjustment of \$446,681 from the recalculation report. Harbor will examine its starting figures as the P1 recalculation report states the 2020-2021 Final Budget as \$32,360,022 at P1 with an adjustment needed of \$284,364. A meeting with DO Budget and Finance Office will be held to ensure Harbor is correctly reflecting revenues after the P1 recalculation.
- Harbor also mentioned in this report that that it transferred salaries of \$856,605 onto CARES ACT/HEERF I Institutional Aid funds, and \$920,000 onto SFPs. Those journal vouchers and entries will be doublechecked for opportunities for further savings.
- Harbor incurred lost revenue of \$1,738,294 and we will ensure that entry posted and ensure its reflected in the updated monthly projection for June, 2021.
- The monthly projection needs to be updated with the known CARES ACT/HEERF II and III figures once they're posted, reflecting the allowable 40% overhead charge for the college. For HEERF II, the college's Institutional Aid portion is \$5,281,693, of which the 40% allowable would be \$2,112,677. The college inadvertently reflected all HEERF funds as allowable income rather than the 40% allowable, so this figure needs to be adjusted. Harbor will also ensure that the journal vouchers are completed to charge off those amounts, freeing up dollars in the General Fund. Furthermore, the college is receiving \$5,993,059 in HEERF III funds, 40% of which would be \$2,397,223 which needs to be reflected in the monthly projection effective July, 2021 and journal vouchers will be completed to properly recharge General Fund expenditures there.
- That said, the DO has plans to spend \$17M in the area of maintenance/operations/safety, IT upgrades and marketing which all must be removed from Harbor's allocation. This will need to be properly reflected in future projections.
- The next monthly projection will also include updated information made available through the detailed analysis of all general ledger codes.

The losses occurring in the Swap Meet (estimated at \$594,000 during 2020-2021) will need addressing. Preliminary estimates of total lost revenue and projected lost revenue exceeded \$1M with the largest losses were incurred in the Bookstore (\$285,000) and Swap Meet (\$594,000).

Examination needs to occur since the advent of zero cost textbooks and OCR has led to new purchase patterns that may impact Bookstore sales.

Furthermore, Harbor has experienced increases in expenditures per enrollment since 2015-2016 and expenditures per FTES since 2015-2016 and needs to devise a plan. The entire Seahawk community is working on this with speed.

As Figure 3 below shows, expenditures have increased while enrollment has decreased, so this is being worked on now by the entire Harbor Team. The college has teamed up to examine this.

Figure 3: Expenditure Patterns, Multi Year, 2015-2016 to Present

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Certificated	\$19,084,849	\$19,571,430	\$17,712,264	\$17,110,263	\$18,734,214
Non-Certificated	\$7,115,109	\$7,077,018	\$7,352,419	\$7,406,042	\$7,626,147
Benefits	\$7,411,890	\$8,012,023	\$7,928,189	\$8,363,621	\$9,190,381
Books and Supplies	\$313,482	\$291,952	\$208,829	\$264,238	\$301,897
Operating Expenses	\$1,772,425	\$1,425,525	\$2,076,903	\$2,536,530	\$2,599,478
Capital Outlay	\$50,068	\$33,117	\$111,463	\$236,248	\$239,041
Other	\$451,177	\$539,629	\$378,134	\$386,631	\$1,067,973
Total	19,000	17,669	18,039	17,635	17,600
Enrollment					
FTES CR + NCR	7009	6646	6227	5688	5578

Source: LACCD District Budget Book

Figure 4: Expenditure Per Enrollment and Expenditure Per FTES, 2015-2016 to Present

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Expenditure per Enrollment	\$1905	\$2091	\$1983	\$2059	\$2259
Expenditure per FTES	\$5165	\$5500	\$5744	\$6383	\$7128

Source: LACCD District Budget Book

Harbor College Response to Question #3: Review Harbor College's use of the LAO "growth" factor, COLA may be a more appropriate way, as that was used in the expenditure analysis.

The Harbor Administrative Services Team has submitted the following Five-Year Financial Projection assuming no HEERF funding, with the assumptions made in this projection notated beneath it:

Figure 5: Five-Year Financial Forecast Assuming No HEERF Funds

Los Angeles Harbor College
 5-year Forecast of the Unrestricted
 Budget
 (assumes no HEERF funds)
 As of 5/07/2021

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
LAO Est. Growth Factor			1.82%	2.12%	2.40%	2.00%
PROJECTED REVENUE	35,406,815	34,500,000	35,127,900	35,872,611	36,733,554	37,468,225
Budget Surplus Carryover		107,250	45,002	228,863	561,000	301,336
IT Revenues refunded by District	576,822	0	0	0	0	0
Recalc Apportionment	1,364,989	0	0	0	0	0
Additional revenue generation	0	500,000	600,000	600,000	600,000	600,000
Adjusted Budget	37,348,626	35,107,250	35,772,902	36,701,475	37,894,555	38,369,561
1% College Reserve (grow at 10% annually)	354,068	389,475	428,422	471,265	518,391	570,230
Net Budget after Reserve	36,994,558	34,717,775	35,344,479	36,230,210	37,376,163	37,799,331

110000	TEACHING, REG	6,772,835	6,184,228	6,263,386	6,364,226	6,485,146	6,582,424
120000	NON-TEACHING, REG	4,725,782	4,339,919	4,395,470	4,466,237	4,551,095	4,619,362
130000	TEACHING, HRLY	6,108,860	6,416,093	6,498,219	6,602,840	6,728,294	6,829,219
140000	NON-TEACHING, HRLY	359,491	339,508	343,854	349,390	356,029	361,369
190000	MISC-CERTIF SAL	0	0	0	0	0	0
	TTL CERTIF SAL	17,966,968	17,279,748	17,500,929	17,782,693	18,120,565	18,392,373
200000	NON-CERTIFCTD SAL	-	0	0	0	0	0
210000	CLASSIFIED, REG	5,888,044	5,397,815	5,466,907	5,554,924	5,660,467	5,745,374
220000	INSTR, LADE, REG	716,938	656,642	665,047	675,754	688,594	698,923
230000	SUB/RELIEF, UNCLSS	260,000	263,900	267,278	271,581	276,741	280,892
240000	INSTR, LADE, N-FERM	220,000	223,300	226,158	229,799	234,166	237,678
290000	MISC, CLASSIF SAL	-	0	0	0	0	0
	TTL CLASSIF SAL	7,084,982	6,541,657	6,625,390	6,732,059	6,859,968	6,962,867
420000	BOOKS	0	0	0	0	0	0
440000	INSTR, MEDIA, MATL	0	0	0	0	0	0
450000	SUPPLIES	85,000	86,335	87,414	88,506	89,613	90,733
460000	BOOKSTORE	0	0	0	0	0	0
490000	MISC SUPPL & BKS	0	0	0	0	0	0
	TTL PRINT & SUPPL	85,000	86,335	87,414	88,506	89,613	90,733
540000	INSURANCE	0	0	0	0	0	0
550000	UTILTY & HRSPNG	1,507,011	1,378,316	1,395,545	1,412,989	1,430,652	1,448,535

560000	CONTRACTS & RNTL	372,336	302,004	305,779	309,601	313,471	317,390
570000	LEGAL, ELECT, AUDIT	0	0	0	0	0	0
580000	OTHER EXP (NE Whiteoffs, Prior Y Adj, ESC mandates)	637,634	495,290	501,481	507,749	514,096	520,523
590000	MISC.OTH EXP	0	0	0	0	0	0
	TTL OPER EXP	2,516,981	2,175,610	2,202,805	2,230,340	2,258,220	2,286,447
610000	SITES	0	0	0	0	0	0
620000	BUILDINGS	0	0	0	0	0	0
640000	EQUIPMENT	49,014	49,784	50,406	51,036	51,674	52,320
650000	OTH CAPITAL OUTLY	9,100	9,243	9,358	9,475	9,594	9,714
690000	MISC.	0	0	0	0	0	0
	TTL CAPITAL OUTLY	58,114	59,026	59,764	60,511	61,268	62,034
710000	DEBT SERVICE	0	0	0	0	0	0
720000	TUITION TRANSFERS	0	0	0	0	0	0
730000	INTERFUND TRANSFER	203,553	206,749	209,333	211,950	214,599	217,282
739700	INTRAFUND BETWEEN LOCATIONS	650,000	507,850	514,198	520,626	527,133	533,723
739800	INTRAFUND - UNRES	0	0	0	0	0	0
739900	INTRAFUND TRANSFER	189,967	192,949	195,361	197,803	200,276	202,779
740000	REALLOCATION/ADJ	0	0	0	0	0	0
750000	LOANS/GRANTS	0	0	0	0	0	0
760000	LOANS/GRANTS	0	0	0	0	0	0
790000	CONTING./UNALLC. (incl 799110)	0	0	0	0	0	0
	TTL OTHER	1,043,520	907,548	918,893	930,379	942,009	953,784
	LESS INTRA/UNRES	0					
	TOTAL EXPENDITURES w/o benefits	28,755,565	27,049,924	27,395,194	27,824,489	28,331,641	28,748,238
300000	MISC EMPL BEN	8,131,743	7,622,849	7,720,422	7,844,721	8,743,186	8,874,334
	TOTAL EXPENDITURES w/benefits	36,887,308	34,672,773	35,115,616	35,669,210	37,074,827	37,622,572
	TOTAL BUDGET VARIANCE	107,250	45,002	228,863	561,000	301,336	176,759

Assumptions made by the Administrative Services Team:

2020/21 The above 5-year forecast assumes no one-time funding from HEERF. Harbor expects that the budget would balance in the current year even without HEERF relief due in part to the added funds from the recal apportionment, the IT refunds given back by the District, and to savings found in certificated salaries, and M&O expenses as a result of belt tightening in the second half of the fiscal year.

FY 2022 In order to balance fiscal years 2022 and 2023 without one-time funds, it will be necessary to implement a sharp 5% salary reduction to 2021/22

& 2023 certified and classified salaries totaling about \$1.2 million. About half of those savings will come from SRP positions that will not be replaced.

The other half will come from additional attrition, reductions in overtime and extra assignments, position controls, and improvements to enrollment management. In addition, it will be necessary to find an average 13% savings in the areas of supplies, M&O, and capital expenditures. Efforts will also be made to increase enrollment, leverage SCFF factors, improve the performance of the bookstore and CDC, and enhance the revenues of the swap meet by charging for parking and other add-on services.

2024 and In the years 2024 and beyond, Harbor is forecasting a better financial position based on increased growth as estimated by the LAO. The financial position is also enhanced due to the budget surpluses carried over from year to year. By fiscal year 2026 the college will have built up a 570,000 reserve, which is about 1.5% of the annual unrestricted budget.

Assumptions:

- ¹ Projected revenues based on growth factors from LAO forecasts
- ² Projected expenses adjusted for COLA and CPI factors from SSC Community College Financial Projection Dartboard

The Harbor Administrative Services Team has submitted the following Five-Year Financial Projection assuming HEERF funding, with the assumptions made in this projection beneath it:

Figure 6: Five-Year Financial Projection Assuming HEERF Funds

Los Angeles Harbor College

5-year Forecast of the Unrestricted Budget

(factors in HEERF funds received)

As of 5/07/2021

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
LAO Est. Growth Factor			1.82%	2.12%	2.40%	2.00%
PROJECTED REVENUE	35,406,815	34,500,000	35,127,900	35,872,611	36,733,554	37,468,225
Budget Surplus Carry Over	0	10,891,247	9,660,574	7,959,168	6,277,512	3,862,674
IT Revenues refunded by District	576,822	0	0	0	0	0
Recalc Apportionment	1,364,989	0	0	0	0	0
HEERF I institutional funds	571,450	0	0	0	0	0
HEERF II institutional funds	5,281,693	0	0	0	0	0
HEERF III institutional funds	5,993,059	0	0	0	0	0
Additional revenue generation	0	500,000	600,000	600,000	600,000	600,000
Adjusted Unrestricted Budget	49,194,828	45,891,247	44,788,474	43,831,780	43,011,066	41,330,899
4% College Reserve (grow at 10% annually)	<u>1,416,273</u>	<u>1,557,900</u>	<u>1,713,690</u>	<u>1,885,059</u>	<u>2,073,565</u>	<u>2,280,921</u>
Net Budget after Reserve	47,778,555	44,333,348	43,074,785	41,946,721	40,937,501	39,049,978

PROJECTED EXPENSES

(Assumes annual COLA + CPI)

		.015+0.0157	0.0128 + .0182	0.0161 +.0212	.019 +.024	.015 +.02
110000	TEACHING, REG	6,772,835	6,184,228	6,263,386	6,364,226	6,485,146
120000	NON-TCHNG, REG	4,725,782	4,339,919	4,395,470	4,466,237	4,551,095
130000	TEACHING, HRLY	6,108,860	6,416,093	6,498,219	6,602,840	6,728,294
140000	NON-TCHNG, HRLY	359,491	339,508	343,854	349,390	356,029
190000	MISC-CERTIF SAL	0	0	0	0	0
	TTL CERTIF SAL	17,966,968	17,279,748	17,500,929	17,782,693	18,120,565
200000	NON-CERTFCTD SAL	-	0	0	0	0
210000	CLASSIFIED, REG	5,888,044	5,397,815	5,466,907	5,554,924	5,660,467
220000	INSTR'L AIDE, REG	716,938	656,642	665,047	675,754	688,594

230000	SUB/RELIEF, UNCLSS	260,000	263,900	267,278	271,581	276,741	280,892
240000	INSTR'L AIDE, N-PERM	220,000	223,300	226,158	229,799	234,166	237,678
290000	MISC. CLASSIF SAL	-	0	0	0	0	0
	TTL CLASSIF SAL	7,084,982	6,541,657	6,625,390	6,732,059	6,859,968	6,962,867
420000	BOOKS	0	0	0	0	0	0
440000	INSTR'L MEDIA MAT'L	0	0	0	0	0	0
450000	SUPPLIES	85,000	86,335	87,414	88,506	89,613	90,733
460000	BOOKSTORE	0	0	0	0	0	0
490000	MISC SUPPL & BKS	0	0	0	0	0	0
	TTL PRINT & SUPPL	85,000	86,335	87,414	88,506	89,613	90,733
540000	INSURANCE	0	0	0	0	0	0
550000	UTILIT & HSKPING	1,507,011	1,378,316	1,395,545	1,412,989	1,430,652	1,448,535
560000	CONTRACTS & RNTL	372,336	302,004	305,779	309,601	313,471	317,390
570000	LEGAL, ELECT, AUDIT	0	0	0	0	0	0
580000	OTHER EXP (YE Writeoffs, Prior Yr Adj, ESC mandates)	637,634	495,290	501,481	507,749	514,096	520,523
590000	MISC OTH EXP	0	0	0	0	0	0
	TTL OPER EXP	2,516,981	2,175,610	2,202,805	2,230,340	2,258,220	2,286,447
610000	SITES	0	0	0	0	0	0
620000	BUILDINGS	0	0	0	0	0	0
640000	EQUIPMENT	49,014	49,784	50,406	51,036	51,674	52,320
650000	OTH CAPITAL OUTLY	9,100	9,243	9,358	9,475	9,594	9,714
690000	MISC.	0	0	0	0	0	0
	TTL CAPITAL OUTLY	58,114	59,026	59,764	60,511	61,268	62,034
710000	DEBT SERVICE	0	0	0	0	0	0
720000	TUITION TRANSFERS	0	0	0	0	0	0
730000	INTERFUND TRANSFER	203,553	206,749	209,333	211,950	214,599	217,282
739700	INTRAFUND BETWEEN LOCATIONS	650,000	507,850	514,198	520,626	527,133	533,723
739800	INTRAFUND - UNRES	0	0	0	0	0	0
739900	INTRAFUND TRANSFER	189,967	192,949	195,361	197,803	200,276	202,779
740000	REALLOCATION/ADJ	0	0	0	0	0	0
750000	LOANS/GRANTS	0	0	0	0	0	0
760000	LOANS/GRANTS	0	0	0	0	0	0
790000	CONTING/UNALLOC (excl 799110)	-	0	0	0	0	0
	TTL OTHER	1,043,520	907,548	918,893	930,379	942,009	953,784
	LESS INTRA/UNRES	0					
TOTAL EXPENDITURES w/o benefits		28,755,565	27,049,924	27,395,194	27,824,489	28,331,641	28,748,238
3x0000	MISC EMPL BEN	8,131,743	7,622,849	7,720,422	7,844,721	8,743,186	8,874,334
TOTAL EXPENDITURES w/benefits		36,887,308	34,672,773	35,115,616	35,669,210	37,074,827	37,622,572
TOTAL BUDGET							
VARIANCE		10,891,247	9,660,574	7,959,168	6,277,512	3,862,674	1,427,406

Assumptions:

2020/21 The above 5-year forecast factors in HEERF institutional funds received.

FY 2022 & 2023 Harbor is expected to be able to balance its budget in the current year even without HEERF relief due in part to the added funds from the recalc apportionment, the IT refunds given back by the District, and to savings found in certified salaries, classified salaries, and M&O expenses as a result of belt-tightening in the second half of the fiscal year. Consequently, a sizable budget surplus will be carried forward into 2021/22. In the 2021/22 fiscal year, a sharp 5% salary reduction to certified and classified salary expense will be implemented to address the historical deficit spending at Harbor. This will result in about \$1.2 million in savings, approximately half of which will come from SRP positions that will not be replaced, and the other half from additional attrition, reductions in overtime and extra assignments, position controls, and improvements to enrollment management. In addition, Harbor plans to reduce expenditures by 13% in the areas of supplies, M&O, and capital expenditures. Efforts will also be made to increase enrollment, leverage SCFF factors, improve the performance of the bookstore and CDC, and enhance the revenues of the swap meet by charging for parking and other add-on services.

2024 and Beyond Fiscal years 2024 and beyond will benefit from budget surplus carryovers, however, certified and classified salaries will need to be held steady as increases in the cost of OPEB, CPI, and COLA are expected to outpace growth. Harbor will have to carefully manage spending, take advantage of attrition, and practice strong position control to retain a healthy financial position.

****** When comparing the two versions of the 5-year forecast (one that ignores HEERF funds and one that includes them), both implement a steep 5% reduction in certificated and classified salaries to address the structural deficit at Harbor. As can be seen in the models, the HEERF funds allow the college to build a much larger reserve. While the non-HEERF scenario results in a 1.5% reserve, the HEERF model starts off with a 4% reserve

which grows to a healthy 6%, \$ 2.3 million reserve by FY 2026. In addition, the HEERF model allows for healthy annual budget surpluses while the non-HEERF model results in very tight budget scenarios for several consecutive years.

Assumptions:

- 1 Projected revenues based on growth factors from LAO forecasts
- 2 Projected expenses adjusted for COLA and CPI factors from SSC Community College Financial Projection Dartboard

Updated Long Range Planning Assumptions Included in Updated Five Year Financial Projection

This summer, the Five-Year Financial Projection will be updated with new information gleaned since the projection was completed and consider the following assumptions:

- The employees that have already indicated they will be taking the SRP will be included, along with planned replacements.
- Revenue assumptions will be increased by the amount of COLA, .6% in 2021-2022 and .7% in 2022-2023 and 1.6% in 2023-2024. The revenue assumptions will be changed to reflect the COLA figures and other figures given by DO Budget and Finance Office and are notated in Figure 7 below.
- Enrollment assumptions are notated in Figure 10.
- Certificated and Non-Certificated Salaries will be adjusted up by the amount of COLA, .6% in 2021-2022 and .7% in 2022-2023 and 1.6% in 2023-2024.
- Employee benefits will be increased by 5% plus the anticipated cost of our SRP.
- Salaries will remain constant with increases including contractual increases and step and column increases. No salary decreases will be reflected.
- Books and supplies will be assumed as constant.
- Other operating expenditures including utilities will be assumed at an increase of 4.5% yearly.
- Capital outlay and interfund transfers will remain constant.
- Harbor will be using one-time funds from CARES HEERF II Institutional Aid to properly offload institutional expenditures incurred during the COVID-19 pandemic.

There are funds coming to the college which are not included in any assumptions at this time, as the figures are being currently finalized.

- CARES HEERF III awards Harbor for the institutional aid portion of this grant, which expires in September, 2023. This money will be used to offset lost revenue but has not yet been considered in the financial projections. That said, the college recognizes these funds are one time and restricted in their usage.
- To maintain ongoing financial stability, the college will seek to make expenditure cuts to ensure it properly spends in a post-COVID-19 era.

The process the college will use to make the actual expenditure cuts excluding CARES revenue will mirror the process used in 2020-2021 where the College Planning Council and Academic Senate Ad Hoc Budget Taskforce will envision potential cuts. These cuts will then be approved by the President. Our shared governance bodies continually offer excellent suggestions and will continue to do so.

Figure 7: Multi Year Projection Assumptions to be Used in Planning at Harbor College

	2018-19 Actuals	2019-20 Actuals	2020-21 Budget	2021-22 Projected	2022-23 Projected	2023-24 Projected
ASSUMPTIONS						
COLA ^[1]	2.71%	3.26%	2.31%	0.60%	0.70%	1.60%
Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Base Increase/FON	\$0 m	\$0 m	\$0 m	\$0 m	\$0 m	\$0 m
Deficit Factor	0%	0.00%	0.00%	0.00%	0.00%	0.00%
State Apportionment Revenue	Hold Harmless	Hold Harmless	Hold Harmless	Hold Harmless	Hold Harmless	Hold Harmless
Non-Resident	increase by COLA	increase by COLA	increase by COLA	increase by COLA	increase by COLA	increase by COLA
Apprenticeship	no change	no change	no change	no change	no change	no change
Dedicated Revenue	no change	no change	no change	no change	no change	no change
Other State	same as prior year	same as prior year	same as prior year	same as prior year	same as prior year	same as prior year
Other Federal	no change	no change	no change	no change	no change	no change
Other Local	no change	no change	no change	no change	no change	no change
Incoming Transfers	0	0	0	0	0	0
EXPENDITURES						
Salaries	2.71%	3.26%	0%	unknown- to be negotiated	unknown- to be negotiated	unknown- to be negotiated
Est. FON Increase		none	none	none	none	none

Employee Benefits	5.0% H&W increase + SRP payment of \$5,407,633 + HRA of \$1,500	5.0% H&W increase + SRP payment of \$5,407,633 + HRA of \$1,500	5.0% H&W increase + SRP payment of \$5,407,633	5.0% H&W increase + SRP payment of \$5,407,633	5.0% H&W increase	5.0% H&W increase
Supplies & Other Operating Exp (except Utilities)	increase by COLA	increase by COLA	increase by COLA	increase by COLA	increase by COLA	increase by COLA
Utilities ^[2]	increase by 4.5%	increase by 4.5%	increase by 4.5%	increase by 4.5%	increase by 4.5%	increase by 4.5%

^[1] Source: School Services of California Jul 14, 2020; FY20-21 not funded.

^[2] Source: Facilities Dept

^[3] Source: Rates from School Services of California, June 2019, updated for rate buy downs

Harbor College Response to Question #4: Please review the use of HEERF funding as a revenue source. As direct HEERF cannot be transferred into the General Fund, clarify if the intent is to transfer expenses to HEERF or if HEERF indirect dollars will be used. If indirect, please indicate timing of this.

In Question 2 above we responded to this question. Harbor had inadvertently recorded all of its CARES ACT/HEERF funds allocation as revenue into the General Fund and in the updated monthly and multi-year projection we will be doing, the allowable 40% overhead will be reflected, and journal vouchers will be completed to move those funds off the General Fund and onto the proper HEERF accounts.

Harbor College Response to Question #5: What are the itemized expenditure reductions (line item and dollar amounts)

Harbor College’s shared governance bodies made suggestions during 2020 and 2021 as to cuts that could be made to the expenditure lines and identified sources of potential revenue. These are listed in Figure 8 below.

Figure 8: Listing of Budget Cuts Harbor College Made in 2020-2021

Areas of Reduction/Revenue Potential/Process Improvement	Amount of Cut/Revenue Potential
Build a new Budget Prep process that involves all campus constituencies in the development of the budget	\$0
Implement a hiring frost on all positions	\$0 to date
Reduce overtime by 50% in each cluster	\$179,000
Charge indirect rate where applicable to grants and SFPs	\$150,000-350,000, \$0 to date
Program Viability	\$58,000-175,000, \$0 to date
Hiring freeze on administrators	\$0-150,000, \$0 to date
Enhance ADT offerings	\$0 to date
Counselors to provide input on scheduling	\$0 to date
Academic Affairs to create process of workload hours including Winter and Summer	\$0 to date
Recommend transparency of budget materials	\$0
Recommend review of Athletics program	\$0 to date
ESTIMATED TOTAL:	\$387,000-1,241,000, \$0 to date

A second pass will be made through the budget this summer, once we have completed our updated monthly, quarterly and multi-year projections with a fresh look, and we will make additional cuts as needed.

Figure 9: Preliminary Thoughts and Considerations for Future Expenditure Cuts

Areas of Reduction or Revenue Potential	Amount of Cut/Revenue Potential
Begin collecting indirect costs on all grants, adjusting grants accordingly	TBD
Providing Academic Affairs with a budget that matches student demand and with workload hours based upon available budget	TBD
Program viability study	TBD
Administrator – non-replacement after retirement	\$200,852
Salary Savings VPSS to Interim President vacancy period	~\$65,000
Dean position six months savings	\$57,750
Cost recover 100% of Administrator salary	\$223,521
Cost recover .4 release time of personnel on grant	\$127,554
Faculty Position	\$186,510
ADDED COST: Contract for nursing services at Health Center	TBD
Contract for private medical services	\$30,000
Hiring Chill – examine all positions prior to any rehire to identify updates or career laddering options	TBD
ADDED COST: Need to hire critical positions to run college effectively	TBD

Harbor College Response to Question #6: Is Harbor College going to use the 2019-2020 outreach plan in 2021-2022 and expect the same results previously achieved?

Let us first take a look at the historical FTES trend patterns at the college and make some projections as to where we see ourselves landing in terms of future enrollment. Figure 10 below shows this history and projection pattern.

Figure 10: Enrollment Assumptions – FTES

YEAR	FTES	% Increase	Comments
2018-2019 Actual FTES	5591		
2019-2020 Actual FTES	5454		
2020-2021 Projected FTES	5437		
2021-2022 Projected FTES	5437		
2022-2023 Projected FTES	N/A	N/A	Need to work with Enrollment Management Team to determine FTES projections for future years
2023-2024 Projected FTES	N/A	N/A	Need to work with Enrollment Management Team to determine FTES projections for future years
2024-2025 Projected FTES	N/A	N/A	Need to work with Enrollment Management Team to determine FTES projections for future years
2025-2026 Projected FTES	N/A	N/A	Need to work with Enrollment Management Team to determine FTES projections for future years

The Outreach and Recruitment Plan at Harbor supports our new aspiring students as well as those coming from our feeder high schools. Central to our recruitment is our Early Decision Program which will be continued in 2021-2022. The college provides extra supports that culminate when students attend their first day of classes on campus. These students obtain Priority Registration and receive workshop, abbreviated student educational plans at their respective high schools and a comprehensive onboarding process. For example, Harbor offers excellent programming

such as: Junior Day, Application Workshops, FAFSA Late Night Workshops, Scholarship Workshops, Orientation and Counseling, VIP Onboarding Campus Visits, Zero Week Activities and a Welcome Week. We are deeply proud of our Intrusive Outreach and Recruitment where our recruitment team visits feeder high schools weekly and visits non-feeder high schools bi-monthly. We also perform outreach to local non-profit organizations, continuations schools, churches, high school parent teacher associations and non-credit adult education students.

During the pandemic, the hard-working Harbor Team provided a remote Outreach Virtual Zoom Office, and assisted over 8500 students. They continued their outreach efforts as noted above via Zoom without missing a beat. Congratulations! During the pandemic, Fresh Caller and Fresh Desk, along with Cranium Café have been used to provide supports to students. Virtual lobbies have also helped students learn more about Harbor.

To continue our focus on growing enrollment, the college convened a new Enrollment Management Taskforce and included key stakeholders to provide input on how the campus can grow enrollment, retain and complete students. They are working hard on the topics of engagement, entry and enrollment, progress and persistence, and completion and transfer.

Harbor College Response to Question #7: No additional expenditures for advertising buys are indicated. Does Harbor College plan to use existing advertising buys?

Harbor College anticipates joining with the district as it anticipates additional advertising and marketing campaigns, and will be setting aside dollars in its HEERF III allocation for this purpose. We anticipate spending approximately \$250,000 in this endeavor.

Harbor College Response to Question #8: How is the Harbor College outreach and recruitment plan taking into account declining High School enrollment?

Harbor has a robust outreach and recruitment plan that will yield results as the college returns from the pandemic and our Enrollment Management Taskforce continues to work diligently to continuously improve how we conduct our enrollment management processes. Harbor provides a high number of Promise awards to students, and our concurrent enrollment is high as well. We fund an outreach team that specifically targets high schools and we conduct intrusive outreach that yields good results. However, one area we plan to examine is increasing Pell Grant outreach so that we can ensure that all students have the option to take advantage of this helpful award. Plus, it helps students succeed and the college earn dollars under the SCFF. Dollars are available in the recently awarded CARES dollars for retention that can assist with this.

Further, the high school on our campus, VHTPA will have a relook as to how each party can provide excellent opportunities for each other. We are also planning to increase adult education/non-credit enrollment and concurrent enrollment.

Harbor College Response to Question #9: How will Harbor College manage this plan without replacing SRP retirements?

Harbor will need to refill key positions opened by SRP retirements. Figure 11 below shows the employee positions that will be taking the SRP and an estimate of savings. The updated monthly, quarterly and multi-year projections that will be completed and will reflect the expenditure cost of the SRP which will be \$334,255 per year for a period of five years, per DO advice.

Figure 11: Staffing Changes Comprised of Open Unfilled Positions and SRP Retirement Openings

Position	Estimated Total Savings
Faculty	\$156,754
Faculty	\$200,976
Faculty	\$205,569
Faculty	\$156,754
Faculty	\$156,478
Faculty	\$169,287
Faculty	\$186,510
Faculty	\$134,252
Administrator	\$200,852
Maintenance Assistant	\$98,402
Accountant	\$115,033
Administrative Aide	\$101,259
Senior Ofc Assistant	\$87,839
Accounting Technician	\$92,755
Financial Aid Technician	\$104,900
Senior Accountant	\$146,966
Administrative Aide	\$102,858
Operations Manager	\$151,051
Facilities Assistant	\$106,653
Maintenance Assistant	\$93,164
Piano Accompanist/Coach	\$79,220
TOTALS:	\$2,847,532

The college has determined that it will be replacing two nurses, two business faculty and two counseling faculty positions at this time. Once the new December 31, 2021 SRP listing is made available, the college will examine the remainder of the positions and do a careful analysis of changes and updates prior to making additional decisions. Once those decisions are made, with full shared governance input, they'll be flowed into the updated monthly, quarterly and multi-year projections.

CONCLUSIONS AND NEXT STEPS

Now that the Harbor Team has taken a first pass at the budget, they are now in the process of a second pass at the budget. The analysis to be performed and “To Do List” of items to be executed on is below. Once those items are executed on, the bulk of the budget issues should be resolved, and all the college needs to do is take a third pass at the budget to identify any items missed or any additional opportunities that will arise and execute on those. Continual quarterly monitoring of the budget monthly and quarterly after that will glean additional adjustments needed on an ongoing basis, as the budget is a malleable and constantly changing animal.

“To Do List” of Analyses Needed and Projects to Execute to Balance the Harbor College Budget

To summarize all of the things in this FITAP Report that need to be done, we have created a master “To Do List” that shows how Harbor will tackle and resolve its outstanding budget issues:

Financial Management

- 1) Examine multi-year increases in instructional costs compared to declines in enrollment and identify solutions.
- 2) Analyze CARES ACT/HEERF funds and ensure journal voucher is posted to move out appropriate 40% of overhead costs from Institutional Aid dollars, reflect in monthly and quarterly reports.
- 3) Update monthly and quarterly reports to reflect the 40% overhead allowance for CARES ACT/HEERF funding, update the revenue projections to reflect P1 adjustments and all data from the DBC meeting packages, update all revenue data, transfer appropriate salaries and costs to CARES ACT/HEERF funds, doublecheck to ensure journal vouchers were posted to move the money to HEERF I and the SFPs that was reflected on the current monthly report.
- 4) Design a strategy to resolve the Swap Meet and Bookstore deficits. Look to future opportunities.
- 5) Prepare a complete CARES ACT/HEERF funds spending plan that shows money available, money spent, what it has been spent on thus far, and how it will be spent in the future considering the spending and takebacks from the DO. Include in the plan all safety and cleaning measures, IT upgrades, DO Facilities plans, instructional equipment and materials, and faculty and staff requests.
- 6) Analyze all of the current proposed budget cuts that are being considered and work with campus to compose a master list they can buy into and cost out. Then reflect the approved cuts in the monthly and quarterly report as well as the 2021-2022 budget.
- 7) Audit payroll versus budget and make changes accordingly. Flow those changes through to the monthly and quarterly reports as well as the 2021-2022 budget.
- 8) Examine the budget cuts proposed in Figure 8 and ensure they have flowed through to the 2021-2022 budget, monthly and quarterly projections.
- 9) Update Multi-Year Projection to update all of the assumptions based on the updated assumptions notated in this report. Add in all known CARES ACT/HEERF funding as allowable (details mentioned in this report).

- 10) Perform a multi-year analysis of major general ledger codes to show spending patterns and identify opportunities for savings and to identify needed cost increases.
- 11) Perform multi-year analysis of budget versus actual funding in all cost centers. This needs to be completed yearly on an ongoing basis.
- 12) Perform a staffing analysis to ensure departments are appropriately staffed, which may include prioritizing increases in needed areas or seeing where there is a lot of overtime or part-time work.
- 13) Analyze SRP vacancies and determine proper backfills and possible staff movements.
- 14) Design and build a budget development process that involves all areas of the campus community.

Enrollment Management

- 1) Design enrollment management strategies that maximize the Student-Centered Funding Formula.
- 2) Complete an enrollment projection for the next three years.
- 3) Complete advertising buys in accordance with marketing plans.
- 4) Execute outreach plan including high schools.

To conclude, Harbor College acknowledges that it has made excellent progress in the past few months toward identifying budget savings opportunities and recognizes that there is still work to do to reach budget stability and is working very hard to accomplish this. Harbor has every confidence that budget stability will be reached after it executes on these current and future plans. The college commits to full involvement from its constituency groups in this process and thanks them for their valued input thus far in the process. Their wisdom has been critical in the college progressing thus far.

Thank you also to our LACCD Board of Trustees for their stewardship and leadership and to our fearless Chancellor Rodriguez for his wisdom and leadership. Thanks go to our FITAP visiting team for their advice and dedicated time and attention to our college. Thank you!

**Los Angeles Community College District
2020-21 Current Budget Allocation and Projected Expenditures
Unrestricted General Fund
As of March 31, 2021**

College	Current Budget	Projected Expenditure as of June 30, 2020	Additional College Revenues	Other Savings	Other Adjustment	Revised Total Budget with College Augmentation	Projected Balance
	a	b	c	d	e	f = a + c + d + e	g = f - b
City	64,940,408	65,329,798	470,943	0	0	65,411,351	81,553
East	126,642,409	124,004,760	0	0	0	126,642,409	2,637,649
Harbor	36,430,318	36,828,477	418,592	0	0	36,848,910	20,433
Mission	37,085,900	35,183,889	0	0	0	37,085,900	1,902,011
Pierce	76,816,245	74,287,359	0	0	0	76,816,245	2,528,886
Southwest	30,563,927	30,369,811	0	0	0	30,563,927	194,116
Trade-Tech	68,384,120	61,585,941	432,105	0	0	68,816,225	7,230,284
Valley	72,352,142	66,055,583	272,051	0	0	72,624,193	6,568,610
West	44,237,165	43,879,413	396,386	0	0	44,633,551	754,138
ESC	47,928,728	47,288,149	0	0	0	47,928,728	640,579
Total	605,381,362	584,813,180	1,990,077	0	0	607,371,439	22,558,259

Proposed 2021-22 DBC/ECDBC Meeting Dates

<i>Board Meeting</i>	DBC	<i>Committee Meeting</i>	ECDBC
<i>July 7, 2021</i>	July 14, 2021	<i>No Meeting</i>	July 27, 2021
<i>August 4, 2021</i>	August 11, 2021	<i>August 18 2021</i>	August 24, 2021
<i>September 1, 2021</i>	September 8, 2021	<i>September 22, 2021</i>	September 28, 2021
<i>October 6, 2021</i>	October 13, 2021	<i>October 20, 2021</i>	October 26, 2021
<i>November 3, 2021</i>	November 10, 2021	<i>November 17, 2021</i>	November 23, 2021
<i>December 1, 2021</i>	December 8, 2021	<i>December 15, 2021</i>	December 21, 2021
<i>January 5, 2022*</i>	January 12, 2022	<i>January 19, 2022*</i>	January 25, 2022
<i>February 2, 2022*</i>	February 9, 2022	<i>February 16, 2022*</i>	February 22, 2022
<i>March 2, 2022*</i>	March 9, 2022	<i>March 16, 2022*</i>	March 22, 2022
<i>April 6, 2022*</i>	April 13, 2022	<i>April 20, 2022*</i>	April 26, 2022
<i>May 4, 2022*</i>	May 11, 2022	<i>May 18, 2022*</i>	May 24, 2022
<i>June 1, 2022*</i>	June 8, 2022	<i>June 15, 2022*</i>	June 21, 2022

*projected dates, Board has not approved

Estimated Fall 2021 Regular Faculty FTEF Hires Required [^]

(June 7, 2021)

<u>Line</u>		<u>Total</u>
1	Fall 20 FON Full-Time Faculty FTE	1557.1
2	"Late" Separations applied to Fall 20 FON	27.0
3	SRP 1 "Early" 2021 Separations (as of January 12, 2021)*	112.0
4	Estimated FTEF Adjusted for Separations (Line 1 minus Line 2 & 3)	1418.1
5	Current Projected Spring/Fall 2021 College Credit Hires †	30.0
6	Estimated FTEF Fall 2021 FTEF (Lines 4 plus 5)	1448.1
7	State Fall 2021 Advance Amount FTEF (As of August 3, 2020) [^]	1411.8
8	Projected Hires Over Projected Required (Line 7 minus line 6)	36.3

† Currently 3 of the 30 already hired.
[^] State Calculated FON with P1 Apportionment ~1470 FTEF using a deficit factor of ~2.38% and funded credit FTES ~ 88,789 FON the lower of Advance and P2 amount.

Notes:

[^] Memo from the CCCCCO State Director of Fiscal Standards and Accountability on Fall 2021 Advance dated August 3, 2020. May change due to increase/decrease enrollment.

† Does not include 3 positions at East that are on hold.

* Based on list from PARS dated 11/19/2020 and assumes all faculty are credit. Deleted duplicate record.