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Executive Committee of the DBC
January 8, 2019 2:00PM
Educational Services Center, 7th Floor
Conference Room

AGENDA

1. District Allocation Model
 - a. ESC & Districtwide
 - b. College Minimum Base
 - c. Determine Scenarios

*Future ECDBC Meetings: 1-29-2019, 2-26-2019,
3-26-2019, 4-23-2019, 5-21-2019, 6-25-2019*

Los Angeles Community College District

LACCD Allocation Model Development Timeline

Date	Topic of Discussion
7/17/18	Review Student Centered Funding Formula
7/31/18	Continued Review Student Centered Funding Formula
9/25/18	Review LACCD data metrics <i>Deliverable - develop timeline and approach</i>
10/30/18	Review Current Model - What worked, What didn't Review other District Models; Visions for LACCD
11/27/18	Review LACCD data metrics in new formula
1/8/19	ESC & Districtwide College Minimum Base <i>Deliverable- determine Allocation Model Scenarios</i>
1/29/19 *	Allocation Model Simulations Transition Period Enrollment or Other Metric declines
2/26/19	College Debt
3/26/19	STRS/PERS, OPEB Reserves College, ESC and Districtwide Ending balances
4/23/19	<i>Deliverable - Final Budget Allocation Document</i>
5/8/19	<i>Deliverable - Presentation to DBC</i>

* Extended meeting, 10am - 4pm

Timeline assumes no additional agenda items directed from DBC.

9/26/18

Los Angeles Community College District Unrestricted General Fund – Allocation Model

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

Funding Principles

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

Educational Services Center (ESC)

The District recognizes that there are certain services that are provided more efficiently through a central operation. Examples of these services include Human Resources, Payroll, Accounts Payable and Purchasing. Funding for the ESC is

Districtwide Accounts

There are annual expenditures which support the District as a whole or that cannot be easily broken out by college require resources. Examples of these expenditures include Property & Liability Insurance, Legal, Audit, etc. Budgets in these accounts do not carryover but are replenished each year. Funding for the Districtwide Accounts is

Other Districtwide Accounts

There are Districtwide projects and expenditures that are one time in nature that tend to take multiple years to complete. Budgets in these accounts carryover until project completion or are self-supporting operations. Examples of these expenditures include the President and Dean Academy, DAS professional college, DAS sustainability and Van de Kamp. Funding for these other Districtwide accounts come from one-time budget requests or from unique funding streams.

Los Angeles Community College District
Unrestricted General Fund – Allocation Model

College Minimum Base

To recognize that there are fixed expenses and core services associated with a College regardless of size, the College minimum base is made up of

**Los Angeles Community College District
Historical ESC and Centralized Final Budget Percentages**

Scenario 1: Percentage based on Total Appropriation Budget (includes ending balances)

Type	2014-15		2015-16		2016-17		2017-18		2018-19	
ESC	23,250,181	3.8%	25,005,632	3.4%	26,915,473	3.5%	27,335,354	3.6%	28,197,780	3.5%
IT	10,196,026	1.6%	10,965,853	1.5%	11,276,187	1.5%	11,452,096	1.5%	11,813,407	1.5%
Total ESC	33,446,207	5.4%	35,971,485	4.8%	38,191,660	5.0%	38,787,450	5.0%	40,011,187	5.0%
Centralized	51,160,022	8.3%	49,677,254	6.7%	74,580,372	9.7%	82,268,023	10.7%	79,149,432	9.9%
Total ESC & Centralized	118,052,436	19.1%	121,620,224	16.3%	150,963,692	19.6%	159,842,923	20.8%	159,171,806	20.0%
Total Appropriation Budget	618,617,219		745,178,416		770,714,238		768,093,820		795,619,777	

Scenario 2: Percentage based on Total Expenditure Budget (excludes ending balances)

Type	2014-15		2015-16		2016-17		2017-18		2018-19	
ESC	23,250,181	3.8%	25,005,632	3.4%	26,915,473	3.5%	27,335,354	3.6%	28,197,780	3.5%
IT	10,196,026	1.6%	10,965,853	1.5%	11,276,187	1.5%	11,452,096	1.5%	11,813,407	1.5%
Total ESC	33,446,207	6.0%	35,971,485	5.4%	38,191,660	5.7%	38,787,450	5.9%	40,011,187	5.8%
Centralized	51,160,022	8.3%	49,677,254	6.7%	74,580,372	9.7%	82,268,023	10.7%	79,149,432	9.9%
Total ESC & Centralized	118,052,436	21.1%	121,620,224	18.2%	150,963,692	22.6%	159,842,923	24.1%	159,171,806	23.3%
Total Expenditure Budget (w/o ending balances)	559,637,667		667,003,003		668,667,079		662,590,754		684,506,752	

Scenario 3: Percentage based on Total Expenditure Actuals

Location	2014-15		2015-16		2016-17		2017-18	
COLLEGE TOTAL	457,044,558	80.1%	497,563,439	79.7%	530,668,030	80.7%	530,307,876	80.2%
ESC	23,824,278	4.2%	27,854,563	4.5%	27,508,246	4.2%	26,881,320	4.1%
IT	10,345,227	1.8%	12,760,838	2.0%	11,489,777	1.7%	10,494,095	1.6%
Total ESC	34,169,505	6.0%	40,615,401	6.5%	38,998,023	5.9%	37,375,415	5.7%
Centralized	79,329,115	13.9%	86,024,914	13.8%	88,175,246	13.4%	93,458,866	14.1%
Total ESC & Centralized	113,498,620	19.9%	167,255,715	26.8%	166,171,292	25.3%	168,209,696	25.4%
Total Actual Expenditures	570,543,178		624,203,754		657,841,298		661,142,157	

Scenario 4: Percentage based on Revenue Budget (less dedicated revenue)

Type	2014-15		2015-16		2016-17		2017-18		2018-19	
ESC	23,250,181	5.0%	25,005,632	5.4%	26,915,473	5.8%	27,335,354	5.9%	28,197,780	6.1%
IT	10,196,026	2.2%	10,965,853	2.4%	11,276,187	2.4%	11,452,096	2.5%	11,813,407	2.5%
Total ESC	33,446,207	7.2%	35,971,485	7.7%	38,191,660	8.2%	38,787,450	8.4%	40,011,187	8.6%
Centralized	51,160,022	11.0%	49,677,254	10.7%	74,580,372	16.1%	82,268,023	17.7%	79,149,432	17.1%
Total ESC & Centralized	118,052,436	21.9%	121,620,224	19.9%	150,963,692	24.0%	159,842,923	24.7%	159,171,806	24.0%
Total Revenue (less dedicated)	538,531,574		611,361,809		628,854,497		648,343,704		662,110,285	

**Los Angeles Community College District
Other Multi College District ESC and Centralized**

Scenario 1: Percentage based on Total Appropriation Budget (includes ending balances)

Type	LACCD		San Diego		No Orange		Los Rios		Ventura	
	2018-19		2018-19		2018-19		2018-19		2018-19	
ESC	28,197,780	3.5%	24,567,381	7.9%	29,390,261	7.8%	8,796,859	1.8%	11,453,703	7.0%
IT	11,813,407	1.5%		0.0%		0.0%		0.0%		0.0%
Total ESC	40,011,187	5.0%	24,567,381	7.9%	29,390,261	7.8%	8,796,859	1.8%	11,453,703	7.0%
Centralized	79,149,432	9.9%	76,211,692	24.4%	83,066,319	22.1%	153,267,321	31.1%	11,698,369	7.1%
Total ESC & Centralized	159,171,806	20.0%	100,779,073	32.3%	112,456,580	30.0%	162,064,180	32.9%	23,152,072	14.1%
Total Appropriation Budget	795,619,777		311,793,252		375,293,618		492,755,201		164,093,164	

Scenario 2: Percentage based on Total Expenditure Budget (excludes ending balances)

Type	LACCD		San Diego		No Orange		Los Rios		Ventura	
	2018-19		2018-19		2018-19		2018-19		2018-19	
ESC	28,197,780	3.5%	24,951,987	8.6%	29,390,261	9.6%	8,796,859	1.9%	11,453,703	6.9%
IT	11,813,407	1.5%		0.0%		0.0%		0.0%		0.0%
Total ESC	40,011,187	5.0%	24,951,987	8.6%	29,390,261	9.6%	8,796,859	1.9%	11,453,703	6.9%
Centralized	79,149,432	9.9%	74,517,550	25.8%	83,066,319	27.1%	153,267,321	33.6%	11,698,369	7.0%
Total ESC & Centralized	159,171,806	20.0%	99,469,537	34.4%	112,456,580	36.7%	162,064,180	35.5%	23,152,072	13.9%
Total Expenditure Budget (w/o ending balances)	795,619,777		289,074,086		306,656,143		456,452,431		167,113,996	

Notes:

San Diego - Centralized includes: Utilities, All IT, and Facilities

No Orange - Centralized includes: Utilities, "hospitality", innovation fund

Los Rios. - Centralized includes: Utilities and M&O for all colleges, faculty release time, IT and telecom, LRC operations, postage, enrollment fee operational costs, Fin Aid workstudy match

Ventura - Centralized includes: Utilities, Info Tech Systems

APPENDIX B

CENTRALIZED ACCOUNTS

A Operating Budgets:

Academic Senate – funding for District Academic Senate Operations and release time.

Accreditation - funds for the districtwide coordination, training, and travel for accreditation activities.

Applications - coordination and software licenses for student and academic systems. Examples include Library software, Votenet, and Mathematica.

Audit Expense – cost of annual and special audits.

Benefits-Retiree – cost of retirees’ medical/dental benefits.

Central Financial Aid Unit (CFAU) – the Central Financial Aid Unit operates at the Educational Services Center and is associated with loan collection and districtwide financial aid administration.

Dolores Huerta Center – funding for the Dolores Huerta Labor Institute is used to educate community college students about labor history, the current labor movement, the impact of unions, and workers’ issues to promote critical thinking, enhance career prospects, and encourage civic participation among students. The Dolores Huerta Labor Institute is an educational partnership between the Los Angeles Community College District and Los Angeles unions.

Districtwide Marketing (Public Relations) – funds for districtwide recruitment of potential students and public relations.

Employee Assistance Programs – the Employee Assistance Program is based on contractual agreements. Funds will cover costs for service fees, clerical support salaries, transportation expenses, utilities, and office equipment and supplies.

Environmental Health & Safety – districtwide costs of safety and emergency supplies, equipment, tuberculosis testing of employees, and renewal of existing contract in compliance with the Division of Occupational Safety and Health (DOSH) asbestos screenings, respirator physicals, blood chemistry panels, and blood-borne pathogens standard for employees exposed to regulate hazardous substances and “select carcinogens”.

Gold Creek – funds for the maintenance of the District’s instructional laboratory in the San Gabriel Mountains.

Leadership Development – funding for leadership training and workshops for Los Angeles Community College District employees.

Metro Records – funding to cover the costs of record keeping and transcripts for the District’s defunct Metropolitan College.

Other Special Projects – funding to cover expenses for special projects. Past expenses include Accreditation, Online People project, Compliance Officers’ salaries, Personnel Commission Tracking Upgrade, College Library System, PBF system, Mathematica and Achieving the Dream.

SIS Modernization Project – funds for the implementation of the new Student Information System, a district-wide online computer system for students.

Southwest Baseball Fields – funds for maintenance of the baseball fields at Los Angeles Southwest College.

B Operating Budgets with Variables:

Collective Bargaining – funds for Labor Union representatives’ release time, faculty travel, Local 99 equipment, and negotiation expenses.

Liability Insurance – insurance premiums for athletics, property, and excess worker’s compensation liability and costs of claims, litigation, and settlements related to District property.

Legal Expense – funds for districtwide legal expenses including outside counsel and case settlement.

Worker’s Compensation – payments of worker’s compensation claims and administration.

Reserve for Insurance/Legal/Worker’s Compensation – funds set aside as Reserve for any claim associated with Collective Bargaining, Liability, Legal Expense, and Worker’s Compensation which is based on 20% increase of the 3-year average expenditures.

C Other Centralized Accounts:

Board Election Expense – funds to cover costs incurred in the election of the District’s Board member(s) that are conducted every other year.

Cyber Security – funds to recover from Information Technology security compromises and to protect against unauthorized access.

District/Campus Safety – funds for Sheriff’s contract with the County of Los Angeles.

Districtwide Benefits – funds to cover the annual OPEB contribution of District employees charged to Centralized Services Accounts.

Emergency Preparedness – funds to cover costs for conducting emergency exercises and drills, update all college emergency plans, creating online floor warden training and certification for Educational Services Center employees, developing a standard for Safety and Security Technologies to be deployed throughout the District.

GASB – funds to cover the actuarial services needed to implement GASB Statement No. 75, Accounting and Financial for Postemployment Benefits Other Than Pensions and to provide reporting information to CALPERS.

Project Match – funds for an instructional development program designed to promote quality instruction and diversity in community college teaching.

Public Policy – funds for services provided by lobbyists who advocate and communicate legislation, policy, and regulatory developments and activities to the state and federal legislatures that may impact the District operations, priorities, and goals.

SIS Project Completion – funds for the implementation of the new Student Information System, a district-wide online computer system for students.

Staff Development – funds for the enhancement and developmental activities of staff based on contractual agreements.

Tuition Reimbursement – funds for tuition reimbursement of District employees as specified in the collective bargaining contract and Board authorization.

Vacation Balance – funds for accrual lump sum vacation payments for employees who leave the Los Angeles Community College District.

Wellness Program – funds to provide health and wellness awareness and intervention programs for Los Angeles Community College District employees and their families through districtwide health promotions that support initiatives identified by the Joint Labor-Management Benefits Committee (JLMBC) and the Board of Trustees.

Base Allocation Minimum Base Funding

Revised M&O Cost based on FY 2016-17

Updated January 5, 2018

	City	East	Harbor	Mission	Pierce	S-west	Trade-Tech	Valley	West	Total
Annual Salary ^[1]										
President	247,597	247,597	247,597	247,597	247,597	247,597	247,597	247,597	247,597	2,228,376
Academic Affairs VP	187,902	187,902	187,902	187,902	187,902	187,902	187,902	187,902	187,902	1,691,116
Student Services VP	187,902	187,902	187,902	187,902	187,902	187,902	187,902	187,902	187,902	1,691,116
Administrative Services VP	187,902	187,902	187,902	187,902	187,902	187,902	187,902	187,902	187,902	1,691,116
Director of College Facilities	143,894	143,894	143,894	143,894	143,894	143,894	143,894	143,894	143,894	1,295,046
Institutional Research Dean	149,593	149,593	149,593	149,593	149,593	149,593	149,593	149,593	149,593	1,346,337
Total Funding for Presidents and VPs	\$1,104,790	\$1,104,790	\$1,104,790	\$1,104,790	\$1,104,790	\$1,104,790	\$1,104,790	\$1,104,790	\$1,104,790	\$9,943,106
Estimated Benefits for Presidents/VPs/DCF/Dean ^[3]	384,754	384,754	384,754	384,754	384,754	384,754	384,754	384,754	384,754	3,462,786
Deans										
Current Number of Deans funded from 10100 ^[4]	5.3	7.7	5.0	5.5	9.0	5.0	7.0	6.8	4.4	55.6
FTE Faculty (Credit Instruction) ^[5]	311	543	194	165	364	134	285	333	210	2,538
FTES (Students) ^[6]	12,350	26,692	6,646	6,832	15,633	5,377	12,741	13,028	8,288	107,587
Number of Faculty per Dean	59	70	39	30	40	27	41	49	48	46
Number of FTES per Dean	2,352	3,466	1,329	1,242	1,737	1,075	1,820	1,930	1,875	1,934
Proposed Number of Deans- (per Total # of FTES)	6	14	3	4	8	3	7	7	4	56
Proposed Number of Deans- (per Total # of FTEF)	7	12	4	4	8	3	6	7	5	56
Proposed Number of Deans ^[7]	8	12	4	4	8	4	8	8	4	60
Dean Salary ^[1]	149,593	149,593	149,593	149,593	149,593	149,593	149,593	149,593	149,593	149,593
Total Funding for Deans Position	\$ 1,196,744	\$ 1,795,116	\$ 598,372	\$ 598,372	\$ 1,196,744	\$ 598,372	\$ 1,196,744	\$ 1,196,744	\$ 598,372	8,975,580
Estimated Benefits for Deans ^[3]	361,536	542,305	180,768	180,768	361,536	180,768	361,536	361,536	180,768	2,711,523
M&O Costs by Square Footage (2016-17)										
Gross Square Footage ^[8]	1,078,764	1,260,291	603,019	536,658	988,221	612,187	904,298	916,222	600,514	7,500,174
Average Cost per sq.ft. ^[2]	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10
Total funding for M&O Costs	\$9,819,366	\$11,471,702	\$5,488,934	\$4,884,888	\$8,995,206	\$5,572,385	\$8,231,303	\$8,339,840	\$5,466,132	\$68,269,757
Total Proposed Minimum Base Funding	\$12,867,190	\$15,298,666	\$7,757,618	\$7,153,572	\$12,043,029	\$7,841,069	\$11,279,127	\$11,387,664	\$7,734,816	\$93,362,751

[1] Source*: Salary schedule (top step) - for Presidents (\$20,133) plus auto allowance (\$500) totals to \$20,633 per month; for Academic Affairs and Student Services VPs (\$15,658); Administrative Services VP (\$15,648); Director of College Facilities (\$11,991); Dean (\$12,466).

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

[3] Benefits are estimated based on FY 2017-18 rates - 45.58% for classified (Administrative Services VP and Director of College Facilities); and 30.21% for certificated (Presidents, other VPs and Deans).

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

[5] FTE Faculty (Credit Instruction) is based on the Report *WSCH Trends And Staffing Patterns By College in the Fall 2016 Data book as reported by the Office of Attendance Accounting*.

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

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

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

* Salary Payscale are published at:
 Presidents, Vice Presidents, and Deans <http://www.laccd.edu/Departments/HumanResources/HRPublications-2/Documents/Academic%20Managers%20Supervisors%2015-16%20Monthly%20Rates%20-%201-05-16%20Updated%204-25-16.pdf>
 Vice President of Administration and Director of Facilities <http://www.laccd.edu/Departments/PersonnelCommission/Documents/Salaries/WebSalarySchedule.pdf>