September 2, 2020

The Honorable Members of the Board of Trustees
Los Angeles Community College District

In accordance with Section 58305(c) of Title 5, California Code of Regulations, presented herein is the District’s 2020-2021 Final Budget for your consideration and approval.

The District’s budget reflects funding from the State adopted $202 billion budget signed by Governor Gavin Newsom on June 26, 2020, where the California Community Colleges received approximately $8 billion under Proposition 98. This represents a decline from last year, primarily due to a drop in projected state general fund revenues. While the 2020-2021 budget prevents immediate cuts to CCC apportionments and categorical, it defers $1.5 billion in cash payments to California Community Colleges in 2021-2022.

The Budget Act continues with the third year of the Student-Centered Funding Formula (SCFF) and extends the minimum state apportionment funding guarantee, or “hold harmless provision,” for two additional years, through 2023-2024. Given the revenue uncertainties to the District, the 2020-2021 Final Budget is developed based on the minimum state apportionment funding guarantee of $642 million and now utilizes the new District Allocation Model, approved by the Board of Trustees in September, 2019, to allocate revenues to the nine Colleges.

Due to the unprecedented events of the COVID-19 public health emergency, what was once projected as a historic surplus of $5.6 billion in January 2020 is now a projected historic budget deficit of $54 billion. The budget news for California is sobering and clearly points to the unprecedented and devastating impact of the COVID-19 pandemic public health emergency on our State’s challenging financial condition. While the community college system was spared immediate budget cuts, the State cash deferrals could have an impact on the District’s financial operations.

The COVID-19 health emergency exacerbates inequities, especially for the most vulnerable student populations, who were already under-resourced before the pandemic. Student basic needs, such as food security, housing, employment, mental health, access to technology, and technology tools, emergency aid, have become more prevalent and disproportionately impact underserved students and communities.
The development of the 2020-2021 District budget has been an evolving process beginning with Governor Gavin Newsom’s proposed State Budget in January 2020 and the State Budget Development through June 2020. The District budget also includes information submitted by each of the Colleges and the Educational Services Center. Each College, through its participatory governance process, sets its own budget priorities to meet its institutional goals and objectives, and is responsible for balancing its annual budget.

The District’s 2020-2021 Final Budget of $5.4 billion for all funds reflects the following major budget areas:

- Building Fund (Prop. A, AA, Measure J and CC Bonds) of $3.9 billion
- Unrestricted General Fund of $832.5 million
- Restricted General Fund of $257.4 million for categorical programs to support student services and other specially funded programs
- Student Financial Aid Fund of $298.6 million
- Special Reserve Fund (State Funded Capital Outlay Projects) of $54.1 million
- Bookstore Fund of $29.8 million
- Child Development Center Fund of $13.5 million
- Debt Services Fund of $6.6 million
- Cafeteria Fund of $2.6 million

The District continues to maintain a minimum 6.5% General Reserve and a 3.5% Contingency Reserve, and a 2.0% Deferred Maintenance Fund, as mandated by LACCD board policy.

For 2020-2021, the District’s financial outlook remains currently stable under the new State Funding formula. The District will continue to focus on increasing enrollment and maximizing the three funding streams of the SCFF that includes college access, equity and student success. There is a fiscal imperative to increase access, equity, course completions and the number of degrees and certificates granted, as well as to generate more transfer students and achieve other progression points that lead to student success.

Your attention is directed to the Overview section of this document that presents a more detailed discussion of the State’s fiscal environment, the District’s current revenue projections and planned expenditures.

Respectfully,

Francisco C. Rodriguez, Ph.D.
Chancellor
BOARD OF TRUSTEES

Andra Hoffman, President
Steven F. Veres, 1st Vice President
Gabriel Buelna, Ph.D., 2nd Vice President
Mike Fong
Ernest H. Moreno
Scott J. Svonkin
David Vela
Elias Geronimo, Student Trustee

DISTRICT ADMINISTRATION

Francisco C. Rodriguez, Ph.D., Chancellor
Melinda A. Nish, Ed.D., Deputy Chancellor**
Ryan M. Cornner, Ed.D., Vice Chancellor of Educational Programs and Institutional Effectiveness
Mercedes C. Gutierrez, Ed.D., Vice Chancellor of Human Resources*
Carmen V. Lidz, MS, Vice Chancellor/Chief Information Officer
Jeanette L. Gordon, Chief Financial Officer/Treasurer
Jeffrey M. Prieto, J.D., General Counsel
Rueben C. Smith, D.C.Sc., Chief Facilities Executive

COLLEGE PRESIDENTS

Mary Gallagher, Ph.D., Los Angeles City College
Albert J. Román, DPA, East Los Angeles College*
Otto W.K. Lee, Ed.D., Los Angeles Harbor College
Monte E. Perez, Ph.D., Los Angeles Mission College
Alexis Montevirgen, Ed.D., Los Angeles Pierce College
Seher Awan, Ed.D., Los Angeles Southwest College
Katrina VanderWoude, Ed.D, Los Angeles Trade-Technical College
Barry Gribbons, Ph.D., Los Angeles Valley College
James M. Limbaugh, Ph.D., West Los Angeles College

*Acting
**Interim

Prepared by Office of Budget and Management Analysis
TABLE OF CONTENTS

EXECUTIVE SUMMARY
OVERVIEW
I. SUMMARY
   ALL FUNDS - THREE YEAR COMPARISON
II. GENERAL FUND
   INCOME
   UNRESTRICTED GENERAL FUND APPROPRIATIONS
      Unrestricted General Fund Totals by Sub-Major Commitment Item
      Unrestricted General Fund Totals by Major Functional Area
      Information Technology
      Districtwide Accounts
   UNRESTRICTED GENERAL FUND - Historical Perspective
   RESTRICTED GENERAL FUND APPROPRIATIONS
      Restricted General Fund Totals by Sub-G/L Account
      Restricted General Fund Totals by Program
      Restricted General Fund Totals by Program and Location
      Adult Education
      Basic Skills
      California College Promise
      CalWORKS (Child Care/Non Child Care)/TANF
      Community Services
      CTE Transitions
      Disabled Students Programs & Services (DSPS)
      Equal Employment Opportunity
      Extended Opportunities Programs & Services (EOPS)
      Extended Opportunities Programs & Services-CARE (EOPS-CARE)
      Extended Opportunities Programs & Services-NEXTUP (EOPS-NEXTUP)
      Financial Aid Technology
      Federal Perkins IV (CTE)
      Federal Work Study
      Foster and Kinship Care Education
      Health Services
      One-Time Block Grants
      Parking
      Staff/Faculty Development
      Strong Workforce
      Student Equity
      Student Financial Aid Administration
      Student Equity and Achievement (SEA)
      Student Success and Support Program (formerly Matriculation) (Credit & Non-Credit)
      Veterans Resource Center
      Other Specially Funded Programs
      Restricted General Fund Programs
   GENERAL FUND APPROPRIATIONS
      General Fund Summary
      General Fund Totals by Sub-G/L Account (repeated for each college)
      Educational Services Center
III. OTHER FUNDS INCOME AND APPROPRIATIONS
   BOOKSTORE
   BUILDING FUND
   CAFETERIA
   CHILD DEVELOPMENT CENTER
   DEBT SERVICE FUND
   SPECIAL RESERVE FUND
      Scheduled Maintenance, Hazmat & Other Projects
      Capital Outlay Projects
      Proposition 39 Projects
   STUDENT FINANCIAL AID
IV. APPENDICES
   A. Definitions & Notes
   B. Districtwide Account Listings
   C. Budgeted Positions - Listings
   D. Organizational Memberships
   E. Education Protection Act
   F. Final Budget Allocation Mechanism