

Los Angeles City College  
Budget Forum

June 5, 2014

FY15 Preliminary College Budget

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# GOVERNOR'S BUDGET MAY REVISE HIGHLIGHTS



## Apportionment Funding

\$187.7 million is proposed for the California Community Colleges  
(Over \$200 million was proposed in the January 10 Governors Budget)

\$140.4 million, or 2.75%, is proposed for access/growth

\$47.3 million, or 0.85%, is proposed for cost of living adjustments

## Proposed impact to LACCD

Approximately \$12.4 million for access/growth

Approximately \$4.1 million for cost of living adjustments

## Proposed impact to LACC

Approximately \$1.7 million for access/growth

Approximately \$560,000 for cost of living adjustments

# GOVERNOR'S BUDGET MAY REVISE HIGHLIGHTS



## Other Funding

\$200 million to improve and expand student success programs and assist under represented students (Requires a 3:1 general fund match)

\$148 million for deferred maintenance (Requires a 1:1 match)

\$50 million (one-time) to improve student success in CTE programs

\$37.5 million for Proposition 39 projects

\$24.7 million to provide backfill for declining student enrollment revenue

\$17.7 million to support decreased local property tax revenue

\$6 million (\$1.4 million one-time) to support technology infrastructure upgrades at each community college

A reduction of \$345,000 from block grant funding provided to support mandated costs for the CCC's

Beginning in 2015-16, the rate for non-credit enhanced courses will be equalized to the rate provided for credit courses.

Total changes to the CCC System Budget - (\$56,750,000, or -1.28%)

## LEGISLATIVE CHANGES TO MAY REVISE PROPOSAL



- An increase of \$51.3 million for deferred maintenance, with language that allows local flexibility to use funds for deferred maintenance or instructional equipment. Total proposed funding is \$199.3 million.
- \$50 million increase to fund DSP&S for a total of \$134.2 million.
- An increase of \$47.3 million to raise the cost of living adjustment from 0.85% to 1.7%.
- An allocation of \$25 million for the conversion of part-time faculty positions to full-time.
- An increase of \$18 million to EOPS for a total of \$106.6 million.
- \$15 million increase to CalWORKs funding for a total of \$49.5 million.
- An increase of \$8 million to CCC apprenticeship programs bring total proposed funding to \$15.2 million.

Note: The college is required to provide a general fund match for certain categorical programs

## LEGISLATIVE CHANGES TO MAY REVISE PROPOSAL



- \$10 million increase to Economic Workforce Development for a total of \$82.9 million. Funding above \$22.9 million is one-time.
- Increase of \$6.5 million for Part-time Faculty Office Hours for a total of \$10 million.
- \$5 million for Student Success (Basic Skills) with language designating that \$3 million of the \$25 million proposed for this item be earmarked for professional development activities.
- \$3.4 million increase to Child Care programs for a total of \$6.8 million.
- Increase of \$1 million to the Foster and Kinship Care Education program for a total of \$6.3 million.
- Increase of \$0.5 million for the Academic Senate for a total of \$1 million.
- \$34 million in *current year* funds to pay off prior mandate claims

## FY15 LACC PRELIMINARY BUDGET COMPARISION

FY14 Final Budget w/all Adjustments (as of 3/31/14)	\$58,675,835
FY14 Estimated Expenditures	\$59,636,061
Difference	(\$945,218)

FY14 Final Budget w/Adjustments *	\$56,921,734
FY15 Preliminary Budget	\$56,549,244
Difference	(\$372,490)

\* - Does not include FY14 carryover balance of \$1,754,104

FY15 Preliminary Budget	\$56,549,244
FY14 Estimated Expenditures	\$59,636,061
Difference	(\$3,086,817)

## FY15 LACC PRELIMINARY BUDGET CATEGORIES

	FY14	FY14 %	FY15	FY15 %
11XX Inst Sal, Reg	\$14,564,865	24.42%	\$14,087,955	24.91%
12XX Non Teaching, Reg	\$5,292,683	8.87%	\$5,384,503	9.52%
13XX Teaching, Hourly	\$12,449,902	20.88%	\$8,651,271	15.30%
14XX Non Teaching, Hrly	\$225,438	0.38%	\$154,106	0.27%
21XX Classified, Reg	\$8,589,732	14.40%	\$9,109,603	16.11%
22XX Inst Aide, Reg	\$1,932,061	3.24%	\$1,997,001	3.53%
23XX Sub/Relief/Expert/OT	\$326,391	0.55%	\$41,007	0.07%
24XX Inst Aide, Other	\$246,884	0.41%	\$80,000	0.14%
3XXX Employee Benefits	\$11,642,369	19.52%	\$12,063,234	21.33%
42XX Books	\$12	0.00%	\$30,000	0.05%
44XX Intr Media Materials	\$13,734	0.02%	\$2	0.00%
45XX Supplies	\$213,740	0.36%	\$276,635	0.49%
55XX Utilities	\$2,358,685	3.96%	\$2,064,257	3.65%
56XX Contracts & Rentals	\$716,999	1.20%	\$871,189	1.54%
57XX Legal, Election & Audit	\$80,955	0.14%	\$5,000	0.01%
58XX Other	\$504,298	0.85%	\$742,360	1.31%
59XX Misc Other	\$0	0.00%	\$0	0.00%
62XX Building Expense	\$0	0.00%	\$25,000	0.04%
64XX Equipment	\$215,161	0.36%	\$187,418	0.33%
65XX Other Capital Outlay	\$58,250	0.10%	\$104,163	0.18%
73XX Interfund Transfers	\$203,902	0.34%	\$109,048	0.19%
79XX Contingency	\$0	0.00%	\$565,492	1.00%
Totals	\$59,636,061		\$56,549,244	

## OTHER FY15 BUDGET IMPACTS

- FY15 budget only assumes health and benefit increases of 5%
- Utilities costs for LACC may exceed 10 % next year
- LACC has approximately \$350,000-500,000 in unfunded mandated costs for special services
- FY15 budget does not reflect any negotiated salary increases
- Budget includes step in column and ongoing cost increases
- Unrestricted General Fund budget does not include funding for instructional supplies, office supplies, or hourly support.
- Deficit factor of \$21 million for FY14 still unknown
- LACC preliminary budget reflects 3% growth. Will be adjusted to 2.75%
- Proposed debt repay for prior year deficit is a negative adjustment of \$463,000 for FY15; this does not include the debt amount from FY14 deficit.



## INSTRUCTIONAL SUPPLIES, OFFICE SUPPLIES, AND EQUIPMENT

- Approximately \$300,000 will be available from restricted lottery funds for instructional supplies and materials. This amount is consistent with the level of expenditures for this fiscal year. Included in this amount is funding for college software (i.e. Etudes), the college newspaper, and library materials. If more funding is available, it will be allocated based upon funding requests that have been underfunded, but approved through program review.
- Approximately \$75,000 will be available for office supplies college wide. A restricted fund will be set up to accommodate these expenses. We are projected to expend over \$250,000 in this area in FY14.
- Equipment requests will be funded based upon the amount of funding provided in the final FY15 Governor's Budget and pursuant to the recommendations of the college Budget Committee.

## FY15 PROCUREMENT DEADLINES

- Partial funding for FY15 will be available for use on June 15, 2014 to purchase supplies and materials to get through the summer session. Upon passage of the Governor's Budget all funds for instructional supplies, office supplies and equipment will be released for use by the college units.
- Units should plan to expend their resources at intervals throughout the year to accommodate the needs of each instructional period. For example, expenditures for the fall should be made no later than August 15, 2014, winter no later than November 30, 2014, spring no later than January 15, 2015, and summer no later than March 31, 2015.

As we have experienced a great deal of late orders this year, we are asking for your cooperation to order early in order to eliminate the need for emergency purchase orders, or the potential return of funds back to the state or district.

Also, a purchase order is required for ALL purchases and NO work or service is to be performed, or goods received, without an approved purchase order.

By not following this process, we delay payment to the vendor and are in violation of district purchasing policy. Your attention to this is appreciated!

# Questions?