



Board of Trustees

Los Angeles Community College District

ACTION

Com. No. BF2

Division: BUSINESS AND FINANCE

Date: July 9, 2014

Subject: BUDGET AND FINANCE ROUTINE REPORT

I. ADJUSTMENTS TO UNRESTRICTED INCOME/APPROPRIATIONS

Authorize the following budget adjustments to reduce the state revenue in the Unrestricted General Fund budget by \$4,301,357 due to the additional statewide \$89 million shortfall from property taxes and student fees collections. The following actions are presented for approval as itemized in **Attachment A**, State General Revenue Adjustments. (eBTA: D-0681, D-0731, D-0732, D-0733, D-0734, D-0735, D-0736, D-0737)

INCOME - Decrease \$4,301,357

- 2012-13 Recalculation Adjustments – (\$932,473)
- 2013-14 Second Principal Apportionment Adjustments – (\$3,368,883)

APPROPRIATIONS - Decrease \$4,301,357

- Increase Education Protection Accounts (EPA Fund) by \$9,032,128
- Reduction in General Apportionment to offset increase in the EPA Fund by \$7,968,856
- Increase COLA and Enrollment Growth Income by \$4,101,929
- Increase Part-time Faculty Office Hours Reimbursements by \$12,133
- Reduce Contingency Reserve by \$9,478,691 for state general apportionment deficits for FY 2013-14 and 2012-13 Recalculation

Background: On June 19, 2014 the State Chancellor's Office released the 2013-14 Second Principal Apportionment and revised the 2012-13 Recalculation reports. The reports include a system-wide general apportionment deficit of \$89 million, or a 1.58% deficit. As a result, the Los Angeles Community College District's state apportionment reduction has amounted to \$8.38 million. The deficits arise from shortfall in property taxes and student fees. More EPA funds was distributed than original estimated resulting a reduction in state general revenue with the shortfall in property taxes and students resulting net remaining deficit of approximately 1.58%.

Recommended by:

Adriana D. Barrera, Deputy Chancellor

Approved by:

Francisco C. Rodriguez, Chancellor

Chancellor and Secretary of the Board of Trustees

By: _____ Date _____

Eng _____	Santiago _____
Field _____	Svonkin _____
Moreno _____	Veres _____
Pearlman _____	Jackson _____

Student Trustee Advisory Vote

Board of Trustees

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FISCAL IMPLICATION: This action reduces the Contingency Reserve by \$9,478,691, leaving a balance in the Contingency reserve of \$4,029,345 or 0.78%.

REQUIRES FIVE (5) AFFIRMATIVE VOTES

STATE GENERAL REVENUE ADJUSTMENTS
FROM 2013-14 P2

2012-13

	1ST RECALC	2ND RECALC	NET CHANGE
EPA Funds	76,889,611	77,077,514	187,903
10100 Adjustment for EPA Change	(691,579)	(879,482)	(187,903)
Restoration/Growth	6,218,478	6,381,327	162,849
Deficit/Adjustment/Shortfall	(1,053,043)	(2,148,365)	(1,095,322)
Subtotal	81,363,467	80,430,994	(932,473)
Apprenticeship Income	0	0	0
PT Fac Compensation	0	0	0
PT Fac Ofc Hrs Reimb.	0	0	0
Lottery Income	0	0	0
TOTAL	81,363,467	80,430,994	(932,473)

2013-14

	FINAL BUDGET	P2	NET CHANGE
Net Base	402,674,301	394,893,348	(7,780,953)
EPA Funds	65,692,554	74,536,779	8,844,225
COLA	7,353,360	7,370,052	16,692
Restoration/Growth	7,204,330	11,126,718	3,922,388
Deficit/Adjustment/Shortfall	0	(8,383,369)	(8,383,369)
Subtotal	482,924,545	479,543,528	(3,381,017)
Apprenticeship Income	83,709	83,709	0
PT Fac Compensation	2,203,448	2,203,448	0
PT Fac Ofc Hrs Reimb.	1,202,112	1,214,245	12,133
Lottery Income	14,300,000	14,300,000	0
Non-Resident Tuition	12,600,000	12,600,000	0
Sheriff's Contract	0	0	0
TOTAL	513,313,814	509,944,830	(3,368,884)

TOTAL CHANGE

	2012-13 CHANGE	2013-14 CHANGE	TOTAL CHANGE
Base	0	(7,780,953)	(7,780,953)
EPA Funds	187,903	8,844,225	9,032,128
10100 Adjustment for EPA Change	(187,903)	0	(187,903)
COLA	0	16,692	16,692
Restoration/Growth	162,849	3,922,388	4,085,237
Deficit/Adjustment/Shortfall	(1,095,322)	(8,383,369)	(9,478,691)
Subtotal	(932,473)	(3,381,017)	(4,313,490)
Apprenticeship Income	0	0	0
PT Fac Compensation	0	0	0
PT Fac Ofc Hrs Reimb.	0	12,133	12,133
Lottery Income	0	0	0
Non-Resident Tuition	0	0	0
Sheriff's Contract	0	0	0
TOTAL	(932,473)	(3,368,884)	(4,301,357)