

# FINAL BUDGET

**2010-2011**

Office of the Chancellor  
August 2010



**Los Angeles Community College District**



# LOS ANGELES COMMUNITY COLLEGE DISTRICT

EAST • CITY • HARBOR • MISSION • PIERCE • SOUTHWEST • TRADE-TECHNICAL • VALLEY • WEST  
OFFICE OF THE CHANCELLOR

August 25, 2010

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 2010-2011 Final Budget for your consideration and approval.

The Final Budget is developed based on the adopted Budget Allocation Model and through consultation with the Chancellor's Cabinet and the District Budget Committee. The development of the District Budget has been an evolving process beginning with the Governor's proposed State Budget in January 2010 and the State Budget Development through August 2010.

Even though the State Budget has not been passed, the Governor's May Revise contains a negative 0.38% COLA, a 2.2 % enrollment growth and no student fee increase. As the State budget deliberation is still in progress, the District's 2010-11 Unrestricted General Fund Final Budget is planned with a negative 0.38% COLA and no advance enrollment growth funding. It also includes the budget information submitted by the colleges and the district. Each college, through its shared governing process, sets its own budget priorities to meet its institutional goals and objectives.

The District's budget for all funds is at \$2.79 billion. This budget includes \$1.67 billion of Proposition A, AA, and Measure J in the Building Bond Fund

The District's 2010-2011 Final Budget of \$2.79 billion reflects the following major budgets:

- Unrestricted General Fund revenue of \$601.07 million
- Restricted General Fund revenue of \$97.04 million for categorical programs to support student services and other specially funded programs
- Bookstore Fund of \$34.35 million
- Building Fund (Prop. A, AA, and Measure J Bonds) of \$1.67 billion
- Cafeteria Fund of \$3.13 million
- Child Development Centers Fund of \$8.9 million
- Student Financial Aid Fund of \$248.8 million
- Special Reserve Fund (State Funded Capital Outlay Projects) of \$145.7 million
- Debt Services Fund of \$6.4 million

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The District took significant measures in 2009-10 to cut class offerings, change health benefit plans, and cut support services to mitigate the impact of \$17 million in workload and \$27 million in categorical program funding reductions. As a result, the District has been able to improve its balances and financial condition. In anticipation of a continuing fiscal crisis at the state level over the next two years, the District plans to target enrollment at the level of funded FTES, meeting faculty obligations, balancing college budgets, and maintaining the District's financial health.

Your attention is directed to the Overview section of this document, which presents a more detailed discussion of the State's fiscal environment, the District's current revenue projections and planned expenditures. This Final Budget reflects the latest stage of the colleges' 2010-2011 operational plans. Changes, such as the addition of specially funded program funds and transfers of funds among accounts, are expected throughout the fiscal year.

Respectfully submitted,



Daniel J. LaVista, Ph. D.  
Chancellor

## EXECUTIVE SUMMARY

The following is a brief summary of the District's 2010-2011 Final Budget with reference to extended discussions in the body of the document.

- The 2010-2011 Final Budget for all funds is \$2.79 billion distributed over eight funds - General Fund, Bookstore Fund, Cafeteria Fund, Child Development Fund, Special Reserve Fund, Building Bond Fund, Student Financial Aid Fund, and Debt Services Fund (page 1).
- The 2010-2011 General Fund, consisting of restricted and unrestricted programs, is \$696.47 million and represents 24.9 percent of the total budget (pages 2-3).
- The Unrestricted General Fund budget, which supports the principal operations of the District, is \$601.07 million and represents 21.5 percent of the Final Budget (pages 5-8).
- The level of Unrestricted General Funds available for appropriation, which consists of beginning balances, reserve for open orders, transfers and income, is \$27.02 million more than the 2009-10 Final Budget (page 15).
  - 1) The Beginning Balance of \$73.3 million is \$27.46 million more than the 2009-10 Beginning Balance.
  - 2) State General Revenue is projected to decrease from 2009-10, primarily because of the negative COLA of \$1.85 million (-0.38%).
- 2010-2011 Unrestricted General Fund appropriations of \$601.07 million are \$27.02 million (4.7 %) more than 2009-10 Final Budget (page 8). Appropriations for the nine colleges and ITV program are at \$452.92 million, which is \$26.3 million more than 2009-10 Final Budget allocations for college locations.
- Appropriations in all Other Funds appear to be adequate to maintain planned levels of services (pages 98-113).

**OVERVIEW**

The Final Budget for fiscal year 2010-2011, summarized in the following pages, has been revised from the Tentative Budget, which was adopted by the Board of Trustees on June 30, 2010. The Final Budget totals \$2.79 billion for the General Fund and other funds. The budget includes \$1.67 billion of Proposition A, AA, and Measures J bond funds and \$601.07 million for general operations of the District. The Budget reflects a \$948.47 million increase (51.3%) for all funds due to increases in funding from the 2009-10 open orders and balances in the Unrestricted General Fund, the budgets for the Building Bond Fund, and the Student Financial Aid Fund.

As the state budget stalemate continues in Sacramento and the status of any additional state funding is uncertain, the District plans the budget with a negative COLA (-0.38%) and continues to maintain enrollment planning at the 2009-10 funded FTES, which does not incorporate any advance enrollment growth revenue at this time.

The District's 2009-10 balances have improved as the District reduced class offerings, changed health benefit plans, and reduced student and support services to mitigate a \$17 million cut in workload reductions and a \$27 million cut in categorical programs. If the state funding is improved and the funded enrollment growth revenue is available when the state adopts its budget, the budget will be adjusted accordingly.

The following overview provides information on total funds available for each fund (Chart #1).

**CHART #1**

**SUMMARY OF ALL FUNDS  
(In Millions)**

	2008-09 Actual	2009-10 Final Bud	2009-10 Actual	2010-11 Tent Bud	2010-11 Final Budget	2010-11 Final Budget difference from:					
						2009-10 Final Budget		2009-10 Actual		2010-11 Tentative Budget	
	\$	\$	\$	\$	\$	%	\$	%	\$	%	
<b>GENERAL FUND</b>											
Unrestricted Total	556.706	574.052	508.851	586.707	601.077	27.025	4.7	92.227	18.1	14.370	2.4
less Intrafund w/in Unres	0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.000	0.0	0.000	0.0
Unrestricted Net	556.706	574.052	508.851	586.707	601.077	27.025	4.7	92.227	18.1	14.370	2.4
Restricted	94.231	98.753	92.713	42.841	97.048	(1.706)	(1.7)	4.335	4.7	54.206	>100.0
less Other Intrafund	1.242	1.215	2.839	1.473	1.648	0.433	35.6	(1.192)	(42.0)	0.175	11.8
<b>TOTAL GENERAL FUND</b>	<b>649.695</b>	<b>671.591</b>	<b>598.724</b>	<b>628.076</b>	<b>696.477</b>	<b>24.887</b>	<b>3.7</b>	<b>97.753</b>	<b>18.3</b>	<b>68.402</b>	<b>10.9</b>
BOOKSTORE FUND	32.915	40.211	24.163	36.882	34.357	(5.855)	(14.6)	10.194	42.2	(2.525)	(6.8)
CAFETERIA FUND	3.515	3.303	2.875	3.052	3.140	(0.163)	(4.9)	0.265	9.2	0.088	2.9
CHILD DEVELOPMENT FUND	9.354	3.864	8.265	2.570	8.930	5.065	>100.0	0.665	8.0	6.360	>100.0
SPECIAL RESERVE FUND	55.351	153.910	52.572	166.339	145.770	(8.140)	(5.3)	93.198	>100.0	(20.569)	(12.4)
BUILDING FUND	634.335	825.864	678.262	272.112	1,666.656	840.792	>100.0	988.394	>100.0	1,394.544	>100.0
FINANCIAL AID FUND	119.343	156.029	170.635	206.001	248.875	92.845	59.5	78.240	45.9	42.874	20.8
DEBT SERVICE FUND	101.601	7.310	61.242	6.410	6.410	(0.900)	(12.3)	(54.832)	(89.5)	(146.195)	0.0
<b>TOTAL APPROPRIATIONS</b>	<b>1,606.107</b>	<b>1,862.082</b>	<b>1,596.738</b>	<b>1,321.441</b>	<b>2,810.614</b>	<b>948.532</b>	<b>50.9</b>	<b>1,213.877</b>	<b>76.0</b>	<b>1,489.173</b>	<b>112.7</b>
less Interfund Transfers	15.757	12.591	7.915	12.652	12.654	0.063	0.5	4.739	59.9	0.002	0.0
<b>TOTAL AVAILABLE</b>	<b>1,590.351</b>	<b>1,849.491</b>	<b>1,588.823</b>	<b>1,308.789</b>	<b>2,797.960</b>	<b>948.469</b>	<b>51.3</b>	<b>1,209.137</b>	<b>76.1</b>	<b>1,489.171</b>	<b>113.8</b>

Note: Interfund Transfers represent a transfer between any two of the funds listed above. In order not to account for the same funds twice, transfers are subtracted from the total.