

LACCD 2nd Quarter Financial Position



Budget Committee

March 24, 2016

Iris Ingram

LACCD 2015-16 Current Budget Allocation w/o Prior Year Balance as of 12/31/15

College	Current Budget as of Dec 31, 2015	Current Expenditure as of Dec 31, 2015	Projected Expenditure as of Dec 31, 2015	Additional College Revenues	Other Savings	Projected Growth Funding	Revised Total Budget with College Augmentation	Projected Balance
	a	b	c	d	e	f	g = a + d + e + f	h = g - c
City	60,145,376	34,982,122	62,110,898	(50,000)	0	0	60,095,376	(2,015,522)
East ^[1]	109,349,084	70,614,683	106,991,272	861,880	0	0	110,210,964	3,219,692
Harbor	34,163,987	21,143,410	35,969,687	0	0	0	34,163,987	(1,805,700)
Mission	32,375,608	18,473,429	32,452,744	112,000	0	0	32,487,608	34,864
Pierce	80,994,950	38,746,951	69,233,603	(143,520)	0	0	80,851,430	11,617,827
Southwest	26,924,043	18,029,468	29,959,367	120,000	0	0	27,044,043	(2,915,324)
Trade-Tech	59,129,571	33,755,902	59,587,240	580,046	0	0	59,709,617	122,377
Valley	60,623,046	32,506,953	59,667,209	(435,426)	0	0	60,187,620	520,411
West	37,546,504	21,595,437	38,271,829	423,000	0	0	37,969,504	(302,325)
ITv	1,616,019	1,280,211	1,407,252	0	0	0	1,616,019	208,767
ESC	41,644,181	22,104,397	41,406,631	0	0	0	41,644,181	237,550
Total	544,512,369	313,232,963	537,057,732	1,467,980	0	0	545,980,349	8,922,617

Unrestricted General Fund Apportionment & Other General Revenue Update P1 & P1 Recalc

2014-15 Recalculation/State General Revenue	2014-15 P2 (June 2015)	2014-15 Recalc (02/24/16)	Difference
Base Revenue	392,772,353	393,714,197	941,844
EPA Fund	94,506,345	93,564,501	(941,844)
COLA	4,141,869	4,141,869	0
Growth	22,341,817	23,211,107	869,290
General Apportionment Deficit	(1,633,274)	-	1,633,274
Total 2014-15 Recalc- State General Apportionment	\$ 512,129,110	\$ 514,631,674	\$ 2,502,564
2014-15 FTES	Reported 104,995.46	Disallowed [1] 427.25	Total Funded 104,568.21
[1] FTES findings on 2014-15 Audit Report			
2015-16 P1 Projected General Revenue	2015-16 Final Budget (09/2015)	P1 Apportionment (02/24/16)	Difference between P1 and Final Budget
Base Revenue	422,865,136	428,614,132	5,748,996
EPA Fund	94,506,345	90,353,146	(4,153,199)
COLA	5,277,189	5,293,466	16,277
Growth	14,656,981	22,165,803	7,508,822
Base Allocation Increase	25,548,513	25,549,068	555
Full-Time Faculty Hiring	5,756,401	5,933,741	177,340
General Apportionment Deficit	0	(7,409,198)	(7,409,198)
Total Projected State General Apportionment	\$ 568,610,565	\$ 570,500,158	\$ 1,889,593
Total 2015-16 P1 and 2014-15 Recalc Revenue Adjustment			\$ 4,392,157

LACCD 5-Year Financial Forecast

UNRESTRICTED GENERAL FUND

	2014-15 Actuals	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected	2019-20 Projected
REVENUES						
State General Revenue	\$ 417,622,765	\$ 466,647,821	\$ 476,002,710	\$ 483,190,351	\$ 495,270,110	\$ 507,651,863
Education Protection Act (EPA)	94,506,345	94,506,345	84,583,179	74,660,013	37,330,006	0
Non-Resident	14,642,569	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Apprenticeship	179,709	83,709	83,709	83,709	83,709	83,709
Dedicated Revenue	8,583,377	7,888,032	7,888,032	7,888,032	7,888,032	7,888,032
Other State	25,897,604	85,377,352	35,377,352	28,377,352	28,377,352	28,377,352
Other Federal	2,127,077	2,127,077	2,127,077	2,127,077	2,127,077	2,127,077
Other Local	3,634,435	2,149,771	2,149,771	2,149,771	2,149,771	2,149,771
Incoming Transfers	107,659	0	4,802,400	10,319,700	8,452,100	4,268,800
TOTAL REVENUES	\$ 567,301,540	\$ 672,280,107	\$ 626,514,230	\$ 622,296,005	\$ 595,178,157	\$ 566,046,604
EXPENDITURES						
Certificated Salaries	244,584,407	266,994,955	275,875,207	275,875,207	275,875,207	275,875,207
New Faculty Hires	0	0	2,736,000	2,092,000	2,092,000	2,173,000
Non-Certificated Salaries	113,376,580	123,837,479	127,956,314	127,956,314	127,956,314	127,956,314
Employee Benefits	122,803,329	133,555,299	148,575,218	164,136,415	177,520,059	191,559,114
Books & Supplies	4,425,674	6,752,537	6,784,274	6,852,117	6,920,638	6,989,844
Other Operating Expenses	66,640,470	81,776,714	62,161,065	55,782,675	56,340,502	56,903,907
Capital Outlay	2,804,191	6,262,779	6,292,214	6,355,136	6,418,688	6,482,874
Interfund Transfer	14,289,841	14,212,061	14,278,858	14,421,646	14,565,863	14,711,521
Other	1,618,685	0	0	0	0	0
TOTAL EXPENDITURES	\$ 570,543,177	\$ 633,391,824	\$ 644,659,149	\$ 653,471,510	\$ 667,689,270	\$ 682,651,782
NET REVENUES LESS EXPENDITURES	\$ (3,241,637)	\$ 38,888,283	\$ (18,144,919)	\$ (31,175,505)	\$ (72,511,113)	\$ (116,605,178)
FUND BALANCE						
Beginning Fund Balance	\$ 79,541,163	\$ 76,299,526	\$ 115,187,809	\$ 97,042,890	\$ 65,867,385	\$ (6,643,729)
Net Revenues Less Expenditures	(3,241,637)	38,888,283	(18,144,919)	(31,175,505)	(72,511,113)	(116,605,178)
Ending Fund Balance	\$ 76,299,526	\$ 115,187,809	\$ 97,042,890	\$ 65,867,385	\$ (6,643,729)	\$ (123,248,906)
<i>Fund Balance % of Expenditure Budget</i>	<i>13.4%</i>	<i>18.2%</i>	<i>15.1%</i>	<i>10.1%</i>	<i>-1.0%</i>	<i>-18.1%</i>
<i>Required 10% Fund Balance of Expend</i>	<i>\$ 57,054,318</i>	<i>\$ 63,339,182</i>	<i>\$ 64,465,915</i>	<i>\$ 65,347,151</i>	<i>\$ 66,768,927</i>	<i>\$ 68,265,178</i>
<i>Amount Available and Remaining above 10%</i>	<i>\$ 19,245,208</i>	<i>\$ 51,848,627</i>	<i>\$ 32,576,975</i>	<i>\$ 520,234</i>	<i>\$ (73,412,656)</i>	<i>\$ (191,514,084)</i>

LACCD 2015-16 Projected Reserves Balances

• General	\$41.5M
• Contingency	23.4M
• PERS/STRS	22.0M
• Prop 30	8.5M
• College Balances & Open Orders	<u>20.0M</u>
TOTAL	\$115.4M

5-Year Plan Assumptions

UNRESTRICTED GENERAL FUND			
	2015-16 Projected	2016-17 Projected	2017-18 Projected
Assumptions			
COLA	1.02%	0.47%	1.00%
Growth	3.00%	2.00%	1.50%
Education Protection Act (EPA)	\$94.5 m	\$94.5 m	\$71.8 m
Non-Resident	Projected	same as prior year	same as prior year
Apprenticeship	Projected	no change	no change
Dedicated Revenue	Projected	no change	no change
Other State	Projected	FY 2015-16 reduced by \$50 million	FY 2016-17 reduced by \$7 million
Other Federal	Projected	no change	no change
Other Local	Projected	no change	no change
Incoming Transfers	Projected	use of PERS/STRS reserve	use of PERS/STRS reserve, use of Prop 30 reserve
EXPENDITURES			
Salaries	4.22% Salary Increase	increase by COLA + 30% of Growth + 2% (proj 3.3%)	increase by COLA
Est. Staffing Increase	Base of 1,519 faculty	2% New Faculty Hires incr * Avg Cost/Fac	1.5% New Hires* (Avg Cost/Fac+above)
Employee Benefits	increase by COLA + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)	increase by 4% + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)	increase by 4% + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)
CalSTRS and CalPERS Increase	\$ 5,247,964	\$ 7,200,000	\$ 9,100,000
Supplies and Other Operating Expen	increase by COLA	increase by COLA less \$20m	increase by COLA less \$7m

UNRESTRICTED GENERAL FUND			
	2018-19 Projected	2019-20 Projected	
Assumptions			
COLA	1.00%	1.00%	
Growth	1.50%	1.50%	
Education Protection Act (EPA)	\$63.8 m	\$32.5 m	
Non-Resident	same as prior year	same as prior year	
Apprenticeship	no change	no change	
Dedicated Revenue	no change	no change	
Other State	same as prior year	same as prior year	
Other Federal	no change	no change	
Other Local	no change	no change	
Incoming Transfers	use of PERS/STRS reserve, use of Prop 30 reserve	use of PERS/STRS reserve	
EXPENDITURES			
Salaries	increase by COLA	increase by COLA	
Est. Staffing Increase	2.0% New Hires* (Avg Cost/Fac+above)	2.0% New Hires* (Avg Cost/Fac+above)	
Employee Benefits	increase by 4% + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)	increase by 4% + STRS incr + PERS incr + Benefits for New Fac Hires (@ 24.77%)	
CalSTRS and CalPERS Increase	\$ 6,300,000	\$ 6,400,000	
Supplies and Other Operating Expenses	increase by COLA	increase by COLA	