ATTACHMENT III

LOS ANGELES COMMUNITY COLLEGE DISTRICT

2010-2011

FINAL BUDGET ALLOCATION

SB 361 ALLOCATION MECHANISM

PARAMETERS USED TO DETERMINE COLLEGE REVENUE

1. Base Revenue
   
   a. Base revenue shall be calculated using the SB 361 marginal funding rates. For fiscal year 2010-11, each college shall receive an annual basic allocation based on the following basic allocation base rate:

   - FTES $>= 20,000 $4,428,727 large college
   - 10,000 $<= FTES $< 20,000 $3,875,136 medium college
   - FTES $< 10,000 $3,321,545 small college
   
   In addition, to provide minimum funding for administration and maintenance and operation costs for colleges, the district shall set aside funds from Contingency Reserve to supplement each small college's basic allocation by $553,591 to increase its basic allocation to $3,875,136. The supplemental funding for basic allocation has been extended for an additional three years, until 2012 (FPRC, January 7, 2009). In addition, Los Angeles Trade-Technical College’s basic allocation will be increased by $500,000 for the next three years, subject to annual program productivity evaluation (FPRC, January 7, 2009).

   b. Credit Base Revenue shall be equal to the funded base credit FTES multiplied by the base rate of $4,564.83 in the 2010-11 fiscal year; in subsequent years the base rate shall be the prior year rate plus inflation.

   c. Non-credit Base Revenue shall be equal to the funded base non-credit FTES multiplied by the base rate of $2,744.96 in the 2010-11 fiscal year; in subsequent years the base rate shall be the prior year rate plus inflation.

   d. The career development and college preparation (CDCP) non-credit base revenue shall be equal to the funded base CDCP non-credit FTES multiplied by the base rate of $3,232.07 in the 2010-11 fiscal year; in subsequent years the base rate shall be the prior year rate plus inflation.

   e. The base revenues for each college shall be the sum of the annual basic allocation, credit base revenue, non-credit base revenue, and CDCP non-credit base revenue.
f. The base revenues and funded base FTES for each college were reduced to be commensurate with the reduction in general apportionment revenue (see page 11 of 15).

2. Negative COLA (cost of living adjustment), as specified in the State Apportionment notice, will not be distributed to colleges pending review by the Fiscal Policy Review Committee (FPRC).

3. Funded Growth Revenue for each college shall be calculated using the following method:

   a. Determine the funded growth rate for each of the workload measures (Credit FTES, Non-credit FTES, and Career Development and College Preparation Noncredit FTES);

   b. Identify and fund the lowest percentage growth equally among the colleges not to exceed a college’s actual growth percentage;

   c. Identify and fund the next lowest percentage growth equally among the colleges not to exceed a college’s actual growth percentage;

   d. Repeat step c until the total funded growth revenue is distributed.

4. Colleges experiencing an enrollment/FTES decline (to be determined when the First Principal Apportionment Recalculation becomes available) shall receive stability funding in the initial year of decrease in FTES in an amount equal to the revenue loss associated with the FTES reduction in that year. A college shall be entitled to a proportional restoration of any reduction in state base general revenue during the three years following the initial year of decline if there is a subsequent increase in FTES.

5. Non-Resident Tuition

   Revenue shall be distributed to colleges based on projected tuition earnings and adjusted for actual.

6. Local Revenue and Other Federal and State Revenue (Dedicated Revenue)

   Revenue that is directly generated by colleges shall be distributed to colleges based on college projections and adjusted for actual.

7. Lottery Revenue

   Revenue shall be distributed to colleges based on the proportion of a college’s prior year FTES over the total District FTES and adjusted for actual.

8. Interest and Other Federal, State, and Local Income Not Directly Generated By Colleges