



## LOS ANGELES COMMUNITY COLLEGES

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OFFICE OF THE CHIEF FINANCIAL OFFICER

**Date:** November 24, 2008

**To:** Dr. Jack E. Daniels III, President  
Los Angeles Southwest College

**From:** Jeanette L. Gordon  
Chief Financial Officer

**Subject:** Fiscal Policy and Review Committee (FPRC) Recommendation  
RE: Los Angeles Southwest College's Budget Deficit Reduction Plan  
Review

On September 24, 2008, you presented the Budget Deficit Reduction Plan for Los Angeles Southwest College to the Fiscal Policy and Review Committee (FPRC). The college is projecting a current deficit of \$3.075 million for 2008-09. The college deficit corrective plan for Southwest College includes significant enrollment growth FTES above cap to be fully funded, \$300,000 increase in facilities rental, and forgiveness of the \$705,771 in debt repayment due in 2008-09. You also indicated that \$216,150 of reduction in expenditures in salaries will be charged back to SFP programs. The college also expects that the new solar power project will be completed by March 2009 which will help to reduce utility costs (electricity consumption).

The college believes that it would eliminate the current projected deficit if the request for forgiveness is granted and all projected growth FTES are funded.

The College is requesting the following:

1. Allow the college to use the \$705,771 debt repayment due in 2008-09 for increasing FTES by investing in recruitment, retention, and funding additional classes;
2. Strong consideration of the elimination of debt assigned to 2006-07 for over-reporting of non-credit FTES in 2004-05, and
3. Employee benefit underpayment be covered by either (a) augment actual benefit cost without charging a deficit to the college, or (b) assume employee benefit cost in district-wide account.