



L.A. Southwest College

# Response to

Fiscal Policy and Review Committee

**Submitted: September 2008**

Dr. Jack E. Daniels, III, President

## SUMMARY OF COLLEGE BUDGET DEFICIT CORRECTIVE PLAN

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The college is projecting a current deficit of \$3.075 million.

The deficit corrective plan for LASC for 2008-09 will involve both revenue increase and expenditure reductions. On the revenue side, the college projects an increase in dedicated revenue of \$300,000. This increase will come from \$300,000 in increased rental of the facility. The original estimate the college provided to the District Budget Office was \$200,000. However, based on the amount of facility rental received in 2007-08 (\$314,342) expected receipt of LAUSD payment of \$64,240 from 2007-08 billing, and the requests thus far for facility rental, we expect to increase the amount we receive by at least \$300,000 in total.

On the expenditure side, the college expects that \$216,150 of the expenditures in salaries will be offset by specially-funded programs. The college is using SFP programs to the highest extent possible that correlate with unrestricted programs to provide optimum service to students and gain the best cost savings to Program 100.

The college dramatically reduced expenditures three years ago in non-salary line items and therefore, there is very little that can be done to further eliminate non-salary expenses. The college expects that a 1.0 megawatt of solar power will be operational on campus by March 1, 2009 that should help to reduce electricity consumption. There are no projections for this savings as of yet.

The higher number of Basic Skills students in the college (95%) creates a greater need for budget in tutoring and other specialized assistive services. The time it takes to work with these students is increased.

The college is monitoring the SFP programs on a monthly basis to ensure that any potential deficits in these programs are eliminated. In the case of the Bookstore and DSPS, the College will ensure that that the deficits are kept to a minimum, if not eliminated. DSPS is expected to have a deficit of approximately \$90,000 of which it is expected that \$25,000 of this deficit covered by EOPS in providing excess cost of interpreters for eligible EOPS/DSPS students, leaving the college with a \$65,000 deficit to cover. The Bookstore is projected to have a deficit of \$100,000. In order for the Bookstore to end the year with a \$100,000 deficit, inventory must be performed on a monthly basis, collections of account receivable must be conducted aggressively and costs contained. Additionally, any prior year debt must be resolved. The CDC is expected to incur a deficit of approximately \$40,000 which will be offset by contributions from eligible CTE funds.

Below are positions that could be eliminated without dramatically impacting college operations:

<b>Position Title</b>	<b>FTE</b>	<b>Savings/annum</b>	<b>Benefits</b>	<b>Saving/6 mos</b>	<b>Benefits</b>	<b>Notes</b>
Maint Asst	1	\$45,909		\$22,955		Currently have five Maintenance Asst.
Electrician	1	\$71,890		\$35,945		Have two Electricians
Supervising Acct	1	\$83,977		\$41,989		
Repro Operator	1	\$47,368		\$23,684		Could make Repro all automatic
	<b>4</b>	<b>\$249,144</b>	<b>\$74,743</b>	<b>\$124,573</b>	<b>\$37,372</b>	

## 2008-09 BUDGET AND EXPENDITURE PROJECTION

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The current monthly projection for September 2008 includes a \$2.8 million deficit. Included in this deficit is an allowance of \$100,000 for the Bookstore and \$65,000 DSPS possible deficits. The hourly budget projected is \$5.5 million. There is a projected increase in benefits of \$500,000 using the District benefits figures. The additional benefits charges of \$500,000 has no relationship to the college's ability to manage the budget. The number of positions the college could eliminate are four classified positions: one Maintenance Assistant, one Electrician, one Supervising Accountant, and one Reprographics Operator for an expected annual savings of \$249,144 plus benefits.

Currently, the projected budget and expenditures (not adjusting for additional revenue) for Southwest College for 2008-09 is:

Budget	\$22,589,959
Expenditures	\$25,964,944

## 2008-09 ENROLLMENT PLAN

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The enrollment plan by term for 2008-09 is:

	<b>FTES Initial Projection</b>	<b>Adjusted FTES Goal</b>	<b>Actual FTES (To be adjusted 10/08)</b>
<b>CREDIT</b>			
<b>Sum II 2008</b>	550	550	550
<b>Fall 2008</b>	1900	1,900	2249
<b>Winter 2009</b>	250	250	238 (est)
<b>Spring 2009</b>	1770	1,835	1900 (est)
<b>Sum I 2009</b>	430	430	387 (est)
<b>Total Credit</b>	4,900	4,965	5,324 (est)
<b>NON-CREDIT</b>			
<b>Sum II 2008</b>	50	45	50(est)
<b>Fall 2008</b>	245	200	165(est)
<b>Winter 2009</b>	34	34	30(est)
<b>Spring 2009</b>	255	201	148(est)
<b>Summer I 2009</b>	16	20	18(est)
<b>Total Non-Credit</b>	600	500	411(est)
<b>Total</b>	5,500	5,465	5,735(est)

## FTES PAST THREE YEARS

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The following is the FTES for the past three years

	<b>Credit</b>	<b>Non-Credit</b>	<b>Total FTES</b>
<b>2005-2006</b>	4,248	388	4,636
<b>2006-2007</b>	4,965	500	5,408
<b>2007-2008</b>	4,598	452	5,049

## 3-YEAR COMPARISON WITH OTHER COLLEGES

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### FULL-TIME/PART-TIME FACULTY RATIO

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The full-time to part-time faculty ratios for the past three years were:

#### Full-time to Part-time Faculty Ratio

	LASC	DW Avg	State Avg
<b>2005</b>	63.3%	66.2%	61.3%
<b>2006</b>	64.2%	63.2%	59.9%
<b>2007</b>	58.1%	59.6%	59.2%

LASC has had the highest percentage of full-time to part-time faculty among the four small colleges (LASC, LAHC, LAMC, WLAC) in the district for all three years, Fall 2005, Fall 2006, and Fall 2007.

### HIRING AND VACANCY ACTIONS

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As the listings below indicate, over the past three years there have been more vacancies in faculty and administrators that occurred at the college than like positions filled. 18 faculty members have retired or left the college employ and only 12 faculty positions have been filled. However, the college plans to hire 3 Nursing faculty mid-year (given pools, 2 is more reasonable). In the administrator/manager group, 7 have retired or left the college employ, and 6 administrator/managers positions have been filled in the three-year period. During this same period, 5 classified staff members have either retired or left the college employ, with 8 positions in this group filled.

#### VACANCIES

##### 2005-06

##### Faculty

Mathews, J - CAOT  
 Sweeney, C - Humanities  
 Seeman, H - Nursing  
 Maddox, K - Poli Sci  
 Hubbard, M - Counselor

##### Administrator/Mgmt

Allen, L - Sr. Net Sup Spec

##### Classified

Strickland, D - W PE Fac Asst  
 Cole, O - Stu Services Aide

#### HIRINGS

##### Faculty

Tucker, A - Counselor  
 Brady, L - Librarian

##### Administrator/Mgmt

Gupta, V- Manager, IT

##### Classified

Abboud, G - Math Lab Tech  
 Chu, J - Maintenace Asst  
 Karchikyan, G - Maint Asst  
 Burrus, M - Reg Proc Spec

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**2006-07****Faculty**

Riggs, J - PE  
Lott, V - Nursing

**Faculty****Administrator/Mgmt**

Levy, A - President  
Jackson, V - Dean

**Administrator/Mgmt**

Daniels, J - President (Acting)  
Martinez, M - Dean (Acting)  
Zamora, R - Gen Foreman  
Benson, L - PR Specialist

**Classified**

Dawson, J - Athletic Trainer  
Harris, D - Secretary English

**Classified**

Barron, J - Stu Recruit Coord  
Mix, R - Custodian (T - Sat)

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**2007-08****Faculty**

Nolcox, N - English  
Lopez, R - History  
Way, L - Math  
Bost - Nursing  
Dawson - Nursing  
Ingram - Music  
Pitts - ESL (transfer - mid-year)

**Faculty**

Gobbidon - Nursing (mid-year)  
Johnson, P - Nursing (mid-year)  
McBride, K - Dev Com (mid-year)  
Cifarreli, D - English (mid-year)  
Goss - ESL (transfer- mid-year)

**Administrator/Mgmt**

Martinez, A - Dean (Acting)  
Daniels, L - Director  
Admissions  
Jones, C - HVAC Supervisor  
Jones, A - Operations Manager

**Administrator/Mgmt**

Bugg - Dean - (mid-year)  
Miramontes - Dean (Acting)  
Daniels -President

**Classified**

Meadows, L - Theatre Tech

**Classified**

Bingham, W - Athletic Trainer  
Baquir - Secretary English

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**2008-09****Faculty**

Moy, M - Dean (SFP)  
 Hinkle, S - Nursing  
 Perrett - CAOT (transfer)

**Faculty**

Howard, T - Pol Sci  
 Wright, K - Sociology  
 Ramos, G - Math  
 Payan, P - CAOT  
 Ortega, D - Counselor  
 Instructor - Nursing (mid-year)  
 Instructor - Nursing (mid-year)  
 Instructor - Nursing (mid-year)

Given the number of full-time faculty who have retired and the ratio of full-time to part-time faculty, there is a clear indication that the college needs to continue to hire full-time faculty to meet the needs of the students.

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**FACULTY REASSIGNED TIME AS A % OF TOTAL FTEF**

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The college has limited reassigned time for faculty other than that required contractually. Department chairs have reassigned time for their duties, the Academic Senate Officers have reassigned time to complete those duties, and the Faculty Work Environment Committee representative has reassigned time. Other than those areas, there is one .60 reassigned time granted to one faculty member for accreditation and one .60 reassigned time for another faculty member for budget. In addition there is a .60 reassigned time for a faculty member for Staff Development planning and administration. The total reassigned time over the past three years is illustrated below.

**Faculty Reassigned Time**

<b>Academic Senate:</b>		<b>FTE Reassigned</b>	<b>Estimated Cost</b>
President	Reed, Al	0.4	50,602
Vice Pres	Roberts, T	0.2	21,084
Curriculum	Larson, L.	0.4	55,613
Sec	Cifarelli, D.	0.1	5,878
Treas	Mrava, J.	0.1	11,862

**Department Chairs**

Art & Humanities	0.2	38,486
Behavioral & Social Sciences	0.5	75,089
Business & Computer Science	0.4	45,312
Child Development	0	0
Counseling	0.4	53,051

English & Foreign Languages	0.7	86,137
Learning Assistance	0.2	18,303
Library	0	0
Mathematics	0.6	85,440
Natural Science/Health/PE	0.7	84,126
Nursing	1.0	120,000
<b>Staff Development</b>		
Itow	0.6	71,173
<b>Accreditation</b>		
G. Yoshida	0.6	72,000
<b>Budget</b>		
A. Moore	0.6	63,253
<b>WEC</b>		
G. Crenshaw	0.2	7,920
<b>Athletic Director</b>		
H. Washington	0.7	69,780
<b>TOTAL</b>	<b>8.6</b>	<b>1,035,109</b>

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**ADMINISTRATORS AS A TOTAL FTEF**

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The administrators for the past three years were:

<b>Administrators</b>	<b>FTE 2005-06</b>	<b>FTE 2006-07</b>	<b>FTE 2007-08</b>
President	1.00	1.00	1.00
Vice Pres	3.00	3.00	3.00
Deans	6.00	6.00	6.00
	10.00	10.00	10.00

*(Includes SFP)*

<b>SFP Administrators</b>	<b>FTE 2005-06</b>	<b>FTE 2006-07</b>	<b>FTE 2007-08</b>
Deans	2.00	1.75	1.75

**Administrators as a % of Total FTEF**

<b>FTE 2005-06</b>	<b>FTE 2006-07</b>	<b>FTE 2007-08</b>
7.46%	5.85%	5.62%

*(Includes SFP)*

**SFP Administrators as a % of Total FTEF**

<b>FTE 2005-06</b>	<b>FTE 2006-07</b>	<b>FTE 2007-08</b>
1.49%	1.03%	.99%

The college has not changed in the number of administrators over the past three years. However, one of the SFP administrators assumed duties for several disciplines in Academic Affairs and therefore .25 of the dean's salary is being paid from the unrestricted general fund. Beginning in fiscal year 2008 / 2009, 50% of this administrator's salary will be paid from the unrestricted general fund.

### WSCH PER FTEF

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The weekly student contact hours per full-time equivalent faculty for the past three years are:

<i>Disciplines by Department</i>				
	WSCH per FACULTY FTE			
	F 2005	F 2006	F 2007	3-Year Dept AVG
ART	492	411	553	
CINEMA	325	358	276	
MEDIA ARTS	260			
MUSIC	669	541	552	
SPEECH	559	595	618	
THEATER ARTS	471	545	460	
HUMANITIES	605	465	572	
PHILOSOPHY	625	548	712	
<b>Humanities and Fine Arts Department Total</b>	<b>501</b>	<b>495</b>	<b>534</b>	<b>510</b>
ADMIN JUSTICE	468	451	400	

AMERICAN SIGN LANGUAGE	435	316	469	
ANTHROPOLOGY	737	780	795	
EDUCATION		414		
HISTORY	483	417	438	
POLITICAL SCIENCE	551	552	692	
PSYCHOLOGY	520	583	523	
SOCIOLOGY	649	643	640	
<b>Behavioral and Social Sciences Department Total</b>	<b>530</b>	<b>534</b>	<b>530</b>	<b>531</b>
BUSINESS	470	456	520	
FINANCE	249	280		
MANAGEMENT	254	240	394	
MARKETING				
SUPERVISION			291	
ACCOUNTING	469	419	421	
COMPUTER SCIENCE	437	551	579	
COOPERATIVE EDUCATION	445	846	386	
ECONOMICS	769	617	489	
LAW	234	267	245	
COMP APP and OFFICE TECH	405	336	440	
ELECTRONICS	508	707	594	
<b>Business Department Total</b>	<b>484</b>	<b>532</b>	<b>476</b>	<b>497</b>
CHILD DEVELOPMENT	505	472	446	
FAMILY, CONSUMER STUDIES	561	513	513	
<b>Child Development Department Total</b>	<b>507</b>	<b>473</b>	<b>449</b>	<b>476</b>
NON CREDIT ESL	680	798	736	
CITIZENSHIP EDUCATION	577	512		
ESL CIVICS			3,535	
BASIC SKILLS	222	395	661	
<b>Non-Credit/Civics-ESL Department Total</b>	<b>493</b>	<b>568</b>	<b>1644</b>	<b>902</b>

<b>Department of Counseling/ Personal Development</b>	<b>805</b>	<b>1,207</b>	<b>780</b>	<b>931</b>
JOURNALISM				
PHOTOGRAPHY				
FRENCH	269	261	428	
SPANISH	333	340	389	
CREDIT ESL-LOWER LEVEL	262	319	209	
CREDIT ESL-UPPER LEVEL	199	216	199	
ENGLISH	406	394	369	
<b>English/Foreign Lang/ESL Department Total</b>	<b>294</b>	<b>306</b>	<b>319</b>	<b>306</b>
<b>Department of Learning Assistance\ Developmental Communications</b>	<b>491</b>	<b>525</b>	<b>655</b>	<b>557</b>
LEARNING SKILLS-LC-CalWorks	3,358	1,231	257	1,615
<b>Department of Mathematics</b>	<b>689</b>	<b>641</b>	<b>556</b>	<b>629</b>
<b>Department of Nursing</b>	<b>279</b>	<b>285</b>	<b>253</b>	<b>272</b>
HEALTH	790	821	799	
PHYS EDUCATION-ACTIVITY	651	656	603	
PHYS EDUCATION-ATHLETICS	903	1,392	2,894	

ANATOMY	771	828	632	
BIOLOGY	705	545	527	
MICROBIOLOGY	540	545	611	
PHYSIOLOGY	686	649	680	
CHEMISTRY	439	451	508	
GEOGRAPHY	537	476	561	
GEOLOGY	448	454	602	
PHYS SCIENCE	318	360	299	
PHYSICS	305	305	369	
<b>Department of Natural Sciences and PE Total</b>	<b>591</b>	<b>624</b>	<b>757</b>	<b>657</b>
<b>SUP LEARNG ASSIST-NC</b>			<b>2,261</b>	
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ALL CREDIT PROGRAMS*	517	562	536	537
NON CREDIT PROGRAMS				
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**TOTAL 200000 EXPENDITURES PER FTES AND FTEF**

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The total non-certificated salaries per FTES for the last three years were:

<b>2005-06</b>	<b>Rank</b>	<b>Non-Cert Sal/FTES</b>	<b>2006-07</b>	<b>Rank</b>	<b>Non-Cert Sal/FTES</b>	<b>2007-08</b>	<b>Rank</b>	<b>Non-Cert Sal/FTES</b>
East	1	\$684	East	1	\$647	East	1	\$690
Pierce	2	\$790	Pierce	2	\$780	Pierce	2	\$805
Trade-Tech	3	\$865	City	3	\$790	City	3	\$829
Harbor	4	\$885	Trade-Tech	4	\$825	Trade-Tech	4	\$859
City	5	\$887	Valley	5	\$833	Mission	5	\$866
Valley	6	\$897	West	6	\$880	Valley	6	\$877
West	7	\$939	Harbor	7	\$904	West	7	\$908
Southwest	8	\$1,074	Mission	8	\$980	Harbor	8	\$944
Mission	9	\$1,123	Southwest	9	\$1,045	Southwest	9	\$1,102

The total certificated salaries per FTES for the past three years were:

<b>2005-06</b>	<b>Rank</b>	<b>Cert/FTES</b>
East	1	\$1,927
Pierce	2	\$2,207
City	3	\$2,227
Valley	4	\$2,377
Southwest	5	\$2,450
Trade-Tech	6	\$2,466
Harbor	7	\$2,504
West	8	\$2,556
Mission	9	\$2,733

<b>2006-07</b>	<b>Rank</b>	<b>Cert/FTES</b>
East	1	\$1,734
City	2	\$2,002
Pierce	3	\$2,065
Southwest	4	\$2,241
Valley	5	\$2,250
West	6	\$2,337
Trade-Tech	7	\$2,397
Harbor	8	\$2,437
Mission	9	\$2,491

<b>2007-08</b>	<b>Rank</b>	<b>Cert/FTES</b>
East	1	\$1,908
Pierce	2	\$2,194
City	3	\$2,203
Valley	4	\$2,342
Southwest	5	\$2,372
Mission	6	\$2,447
Trade-Tech	7	\$2,460
West	8	\$2,516
Harbor	9	\$2,638

**TOTAL 400000 EXPENDITURES PER FTES AND FTE EMPLOYEES**

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The total printing and supplies per FTES for the last three years were:

<b>2005-06</b>	<b>Rank</b>	<b>Total Sup/Print per FTES</b>	<b>2006-07</b>	<b>Rank</b>	<b>Total Sup/Print per FTES</b>	<b>2007-08</b>	<b>Rank</b>	<b>Total Sup/Print per FTES</b>
West	1	\$35	West	1	\$33	West	1	\$41
Mission	2	\$52	Southwest	2	\$50	Mission	2	\$48
Harbor	3	\$56	Mission	3	\$57	Southwest	3	\$53
Trade-Tech	4	\$70	Harbor	4	\$64	City	4	\$55
Southwest	5	\$72	Valley	5	\$67	Harbor	5	\$59
City	6	\$73	Trade-Tech	6	\$73	Valley	6	\$60
Valley	7	\$75	City	7	\$75	Trade-Tech	7	\$78
East	8	\$86	Pierce	8	\$83	East	8	\$86
Pierce	9	\$88	East	9	\$86	Pierce	9	\$91

The total printing and supplies per FTE Employee for the last three years were:

<b>LASC</b>	<b>Printing and Supplies per FTE Emp</b>
<b>2006</b>	\$1,958
<b>2007</b>	\$2,072
<b>2008</b>	\$2,080

**TOTAL 500000 EXPENDITURES PER FTES AND FTE EMPLOYEE**

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The total operating expenses per FTES for the last three years were:

<b>2005-06</b>	<b>Rank</b>	<b>Total Oper/FTES</b>	<b>2006-07</b>	<b>Rank</b>	<b>Total Oper/FTES</b>	<b>2007-08</b>	<b>Rank</b>	<b>Total Oper/FTES</b>
Trade-Tech	1	\$138	Valley	1	\$145	Valley	1	\$173
Valley	2	\$152	Trade-Tech	2	\$151	Harbor	2	\$182
West	3	\$188	Harbor	3	\$188	City	3	\$187
Harbor	4	\$211	West	4	\$197	Trade-Tech	4	\$199
Pierce	5	\$236	City	5	\$208	West	5	\$217
City	6	\$240	Pierce	6	\$232	Mission	6	\$221
Mission	7	\$266	Mission	7	\$233	Pierce	7	\$233
Southwest	8	\$410	Southwest	8	\$315	Southwest	8	\$387
East	9	\$443	East	9	\$437	East	9	\$535

The total operating expenses per FTE Employee for the last three years were:

<b>LASC</b>	<b>Operating Exp per FTE Emp</b>
<b>2006</b>	\$11,184
<b>2007</b>	\$13,021
<b>2008</b>	\$15,252

## TOTAL REVENUE PER FTES

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The total revenue per FTES for the past three years were:

<b>2005-06</b>	<b>Rank</b>	<b>Revenue/FTES</b>	<b>2006-07</b>	<b>Rank</b>	<b>Revenue/ FTES</b>	<b>2007-08</b>	<b>Rank</b>	<b>Revenue/ FTES</b>
Valley	1	\$4,047	Valley	1	\$4,024	City	1	\$4,096
Harbor	2	\$4,054	City	2	\$4,026	Valley	2	\$4,118
City	3	\$4,128	Trade-Tech	3	\$4,176	Harbor	3	\$4,218
West	4	\$4,322	Southwest	4	\$4,232	Trade-Tech	4	\$4,247
Trade-Tech	5	\$4,408	Harbor	5	\$4,249	Mission	5	\$4,420
Pierce	6	\$4,418	East	6	\$4,263	Southwest	6	\$4,511
Mission	7	\$4,664	West	7	\$4,303	West	7	\$4,549
Southwest	8	\$4,767	Pierce	8	\$4,386	Pierce	8	\$4,669
East	9	\$4,894	Mission	9	\$4,404	East	9	\$4,879

## COLLEGE FUNDING TO SUPPORT OPERATIONS

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LASC's current staffing levels for faculty and staff are:

Certificated Classroom Faculty - 58

Certificated non-classroom Faculty - 9

Certificated Managers - 9

Classified Staff - 103

Classified Supervisors - 12

Classified Managers - 7

The minimum required funding level to operate is:

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### **Facilities:**

As additional buildings are brought online, there are several concerns with regard to facilities. Also, because some of the projects were descoped from bond funding and those resources were reallocated to meet current construction costs. The continued disrepair and need for building improvements will impact facilities.

There are current problems and concerns with Facilities that involve both personnel, the management of personnel, and the physical facilities itself.

1. Personnel – there is no supervisor during the day shift for the Custodians, the Gardeners, and Receiving. The Operations Manager retired almost a year ago and has not been replaced. In addition, more Custodians will be needed once the Student Services Center opens because our current staffing level is inadequate to maintain a clean and healthy environment.
2. Management of Personnel - The college had an Operations Manager who retired in November 2006. The position continues to be vacant. An Operations Manager is responsible for supervising custodial staff, gardeners and grounds staff, and receiving staff and central supply. The Operations Manager is responsible for the sanitation and safety of the college. In addition, the Operations Manager is responsible for overseeing the tracking of assets and disposal of excess unneeded furniture and equipment. The Operations Manager also is responsible for waste removal and recycling. In addition the Operations Manager will work closely to coordinate staff for special events and facility rentals. They are responsible for coordinating equipment and furniture moves. The Operations Manager can also record, maintain, and track the issuance of keys to campus personnel. Currently, due to the vacancy in the Operations Manager position, there is no supervisor for the Custodians, Gardeners, and Receiving in addition to other activities articulated above. The

responsibility for those operations has been assumed by the Director of College Facilities (DCF). However, the need for more direct supervision cannot be overstated. The DCF finds himself dealing with issues related to unfinished work on a regular basis. He is required to approach work with the Operations staff in a very hands on manner, which takes him away from the important work of managing the overall facility. The Operations Manager would free his time so that he ensures that the entire facility is maintained properly. The Operations Manager would also ensure that the environment for the students, faculty, and staff is clean and healthy at all times. As we bring additional buildings up, an Operations Manager will plan for that increased space and be prepared with the necessary equipment and technology and a plan for additional needed personnel to accomplish cleaning and maintaining the campus. At the completion of the college design-build program in December 2008, the college will have added an additional 200,000 square feet of space that will need to be cleaned and maintained. It is critical that the college plan for the requisite personnel in both management and staff to keep the campus clean, healthy, and in good repair.

3. Physical Facility – The question of how the college will be able to maintain a clean and healthy environment when the additional new buildings open is a very serious one. Some of the original bond projects were descoped due to the need to shift funding to other projects. This is creating a problem with the older buildings (Lecture Laboratory, Cox, and PE) that are in disrepair and need maintenance funds that the college does not have at this time. Three examples that currently are creating significant issues are: the air conditioning units in the PE complex. These units are in dire need of replacement, but the college does not have the funds to replace these units and is therefore attempting to repair these units. Since is not currently online with an energy management system, the college is discovering the HVAC problems only as a result of complaints that are called in to the office and temperatures in buildings is not as efficiently controllable. Another problem exists in the PE building where the boilers are in complete disrepair. They are so old that parts are not readily available to repair them and have to be specially ordered. The college has been repairing these boilers, but replacement is necessary in order for the college to have reliable hot water in the gym. The third critical problem is the water pressure on the campus. The college does not have adequate water pressure to deliver the rate of water needed and therefore at times toilets do not flush properly, cooling towers are affected, and the overall water system is compromised. As the design-builder uses a rented water pump, the college on-site system sometimes overloads causing our boilers to shut off and our HVAC units to go dry of water. This not only affects the immediate environment of shutting off air conditioning and hot water, but it damages the equipment and the college is concerned that at some point it will damage it beyond repair. The Facilities department has developed a preventative maintenance schedule but it is not fully funded. Currently there is a need for supplies to retrofit bathroom stalls, replace lights, paint areas, and repair worn our sinks, faucets, and toilets. The college began a program several years ago of preventative maintenance but resources have been scarce. The budget for Facilities was reduced in 2006-07 by more than 50%. If anything major occurs, the college does not have the funds for repair. In order for the college to maintain its current facility an additional \$250,000 is needed to restore the budget for Facilities to the level required.

The recommended actions for Facilities are:

1. Conservatively spend remaining bond dollars so that as projects are completed, and if there are funds available to resolve the water pressure problem, the boilers and HVAC, it can be accomplished using bond dollars.
2. Continue to repair as facilities go down.
3. The College needs to establish a preventive maintenance program, with an identified account, to provide for general maintenance and repairs including painting, wall patching, and providing clean and safe facilities.

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## KNOWN PROBLEMS THAT IMPACT 2008-09

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There are several known problems that will impact the college's ability to stay within its budget for fiscal year 2008-09.

1. Benefits increased by more than \$500,000 in one year with only a budget of approximately \$200,000 to cover the additional expense leaving the college with an additional \$300,000 in benefits. The college has no control over the increasing benefits costs. Due to the nature of the benefits offered through the District and the escalating costs, this expense is not manageable by the college.
2. The college never budgeted adequately for its hourly costs. The college had not historically planned carefully the classes needed to make the FTES targets. Considerable time and energy has been spent to develop a class schedule supported by the necessary hourly instructional budget that provides the greatest opportunity to meet the FTES target. The net effect for the 2008-09 fiscal year in order to make our FTES target, the hourly instruction budget was increased by almost \$500,000. (See Appendix A and B and 2008-09 Enrollment Plan, p. 3)
3. The vicious cycle running a deficit, and in the case of 2008-09 a required repayment of \$705,771 leaves the college short of funds to offer the programs and services needed for the students. By not having those funds available, the college cannot generate the FTES needed. The college is paying debt at the same time it is attempting to generate revenue. (See Appendix C)
4. In the 2004-05 fiscal year, the college incurred a \$1.2 million reduction in revenue due to an error in reporting non-credit hours. Since another college was granted reprieve for its error in reporting non-credit FTES around that same time period, it is only fair and equitable that Southwest be granted this same reprieve. (See Appendix D)
5. The college Bookstore has consistently run in a deficit spending mode. Three years ago the Bookstore was relocated and received a "facelift" to improve the look and feel of the store, it continues to overspend. Efforts to contain expenses have occurred, however, the bookstore is projected again in 2008-09 to end the year with an approximately \$100,000 deficit. Even though an operational plan has been developed to reduce expenditures, control inventory, and increase sales, the Bookstore will probably end the year with a significant deficit.

6. The college has the second highest utility bills – second only the East LA College. Although there is some solar power currently being generated on the campus and additional solar power is being implemented, the savings on energy costs cannot reliably be estimated at this time due to the new buildings coming online at the same time. (See Appendix E)
7. Budget considerations for 2009-10: the college may add two additional sports - baseball and women's soccer. Baseball is expected to add 45 FTES annually and women's soccer is expected to add approximately the same FTES annually. The start up costs for baseball is expected to be \$600,000 and start up costs for women's soccer is expected to be \$225,000.
8. Additional budget considerations for 2010-11: adding one additional sport women's softball that is expected to contribute 40 FTES annually with up front costs of \$500,000.
9. As full-time faculty are hired, the number of hourly class offerings is reduced. Four new full-time classroom faculty were hired in Fall 2008 resulting in reduced need for 30 hourly classes. It is expected that two to three additional full-time faculty will be hired mid-year in 2008-09.

**RECOMMENDATIONS:**

1. The College is requesting use of the \$705,771 that is currently charged against the college's budget for previous year (01/02; 02/03; 06-07) debt. The \$705,771 would be used to increase FTES in the following ways:

**RECRUITMENT**

- Hire seasonal recruiters to spend time in schools, community based organizations, churches, etc.
- Promotional materials including brochures, "mini-schedules" for mailing
- Marketing including air time (radio), newspaper ads, home mailers
- Push early enrollment

*\$100,000*

**RETENTION**

- Additional tutors in basic skills and sciences
- Student follow-up calls and assistance
- Implement Comprehensive Early Alert Program
- Assistance in visiting each class informing class of tutoring assistance, counseling assistance, service assistance etc.

*\$50,000*

- Fund additional (adjunct) classes to meet goal at 33 per class size

*\$555,000*

2. The College is requesting strong consideration of the elimination of the debt assigned to 2006-07 for over-reporting of non-credit FTES in 04-05. The college acknowledges the issue, however, is seeking equitable treatment (see previous referenced memo, Appendix D).
3. The College is requesting that the benefit underpayment be handled in one of two (2) ways: Either augment the actual benefit cost without charging a deficit to the college, or, assume the benefit cost in a district - wide account and not have the College with an unaccountable fund. The latter is the preference.

4. The College will continue to look at the following for expenditure reduction:
  - \$250K for reducing in non-critical areas
  - Reduce contracts by:
    - \$6,300 – web site hosting and maintenance
    - \$24,000 – contract for R. Roacho
    - \$51,000 – Copying and Printing (6 mos. of Xerox contract) (See Appendix F)
  - Utilities have been paid in arrears during the past year, thus adding to the existing debt. \$248,113 was paid in arrears which amounted to \$248,113 over annual 07-08 costs. The college is current and no previous years bills will be paid in 08-09.
  - Spring is scheduled to be offered that results in 1835 FTES. That would be a reduction of 46 classes as compared to Fall, 2008. Sections will be capped for Winter at 68, Spring at 543, and Summer I at 151 sections.
  - Winter 09 and Summer I, 09 have been minimized from the original schedule of classes
  
5. It is projected that the College will generate 5735 FTES based on its current trend against its 08-09 funding Base of 5465. That would produce a gap of 270 FTES. At 1.13% growth over base, LASC would only recognize and receive funding for 5527 FTES, leaving 208 unfunded. If there is full funding of 5527 FTES, of which 5021 is credit FTES, \$22,915,844 would be realized. It is projected that non-credit will generate 411 FTES, approximately 131 FTES below our non-credit base resulting in a decrease of \$114,887. Overall, there would be a \$2M increase in FTES funding over the current year.

The College is projecting a deficit for 08-09 of: 3.075M. This includes the \$705, 771 in debt payment, and \$300,000 in approximate revenue generation bringing the debt to \$2,069,229. Without adding additional revenue, with the increase of FTES the College would end the year with only a slight deficit, and could possibly have no deficit. If the request for forgiving \$1.2M from 04-05 is accepted, the remaining deficit from 07-08 of 1,611,551 would be paid back in 3 installments of \$537,184 beginning in the 10-11 year.

6. The College is working to reach a 35 per class average over the next two years. AOJ, Bus/Electronics, Child Development and English will undergo an extensive program review/viability from a developmental consideration to insure optimizing enrollment and productivity. All programs less than 400 WSCH/FTEF will be placed on a schedule of viability review if their comprehensive program review is not scheduled within the next 2 years. The college has currently requested a viability study on credit ESL (a composite WSCH/FTES of 234) that is to begin the last week in September, 2008.
  
7. The College has already identified \$216,150 in SFP areas that can be used to legally provide services not accounted for through Program 100. Those areas are and their uses. Transfers are being completed the week of September 22, 2008.
  
8. The College has identified additional revenue in the following areas:
  - Facility Rentals = \$300,000
  - District Office Contribution on Faculty Hires - 4 X \$30,000 = \$120,000

9. The College has already acted to resolve the debt through:
- Better Scheduling Strategies
  - Building Productivity
  - Enhanced Outreach
  - Implementation of a retention plan
  - Enhancing its on-line offerings with an increase of 12 on-line classes scheduled for Spring, 2009.

**CAUTION:**

The hiring of maintenance/custodial employees will be key with the addition of +200,000 square feet. It has been calculated that with the current addition and using the current formula, 8 more custodians and 3 more maintenance workers are needed. With the passage of Bond J and adding an additional 120,000 sq feet plus a new multi-level parking lot, it is anticipated that an additional 4 custodians and 1 maintenance worker will be needed.

Eliminating classes is the last option to review. If we decrease our offerings, the constant cry of being non-responsive and not having a comprehensive curriculum will resurface. To gain back students from draconian class cuts will set the college further behind and realization of growth and continually reaching base will be years off.

The College is also working on a comprehensive phased plan for the hiring of faculty within the budgetary constraints now known.

*APPENDIX A*

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LASC HOURLY TEACHING EXPENDITURES

	<b>2005 / 2006</b> (Actual)	<b>2006 / 2007</b> (Actual)	<b>2007 / 2008</b> (Actual)	<b>2008 / 2009</b> (Projected)	<b>2009 / 2010</b> (Projected)
Budgeted at Final Budget			4,616,265	1,983,028	
Final Expenditure	4,225,464	4,662,768	5,068,709	6,320,856	
Union Adjustment		57,273	103,876	-	
Actual Final Expenditure	4,225,464	4,720,041	5,172,585	6,320,856	
Difference	(4,225,464)	(4,720,041)	(556,320)	(4,337,828)	

## APPENDIX B

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### 2007/2008 Teaching, Hourly Commitment Item 130000

	\$	% of Total Expenditures
LACC	12,576,574	20.20
ELAC	17,827,825	20.20
LAHC	7,949,379	24.40
LAMC	7,564,393	27.80
LAPC	13,710,085	22.60
<b>LASC</b>	<b>5,068,708</b>	<b>21.10</b>
LATTC	11,521,606	21.10
LAVC	11,534,793	20.70
WLAC	8,260,505	25.40
<b>District Average</b>		<b>22.59%</b>

## APPENDIX C

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**LOS ANGELES SOUTHWEST COLLEGE  
SCHEDULE OF COLLEGE DEFICIT**

	<b>TOTAL DEFICIT</b>	<b>Remaining</b>	<b>2008 / 2009 Pmt</b>	<b>2009 / 2010 Pmt</b>	<b>2010 / 2011 Pmt</b>	<b>2011 / 2012 Pmt</b>	<b>2012 / 2013 Pmt</b>
1/02 & 02/03		425,865	425,865				
004 / 2005	-						
005 / 2006	-						
006 / 2007	838,218	838,218	279,406	279,406	279,406		
007 / 2008	1,611,551	1,611,551	-	537,184	537,184	537,184	
008 / 2009 (Projected)	1,804,904	1,804,904			601,635	601,635	601,635
<b>TOTAL</b>	4,254,673	4,680,538	705,271	816,590	1,418,225	1,138,819	601,635

## APPENDIX D

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May 1, 2008

TO: Mark Drummond  
Chancellor, LACCD

FROM: Jack Daniels  
Interim President, LASC

Re: Previous Debt Payment

Several months ago it was indicated to me via our LACCD auditors that the year in which our colleges were deemed to inappropriately account for non-credit (NC) FTES, Los Angeles Mission College (LAMC) was held harmless and Los Angeles Southwest College was penalized. I had my business office do a review and in summary:

In 04-05, LAMC was funded for 1100 NC FTES, yet only had 267 actual NC FTES that resulted in a gap of -833 NC FTES. This over-reporting caused a \$1.5M deficit in 05-06 for LAMC. LASC was funded for 589 NC FTES and had an actual reported count of 732 NC FTES in the same year. The state held LAMC harmless for the over-reporting in 2004-05 and LAMC was forgiven \$1M in 2005-06 for the over-reporting. Through indication from the VP Administration from LAMC, the remaining \$500k in deficit was washed when SB361 was implemented and the small colleges received augmentations. In the following year, LASC over-reported 344 NC FTES which resulted in a \$903,344 deficit that essentially caused an \$800k deficit in the 06-07 budget due to repayment of funds previously allocated. Continued payment on this debt has resulted in fewer dollars available for other services and programs. In the 08-09 budget, \$705K is being paid back.

In summary, the over-reporting by LAMC was held harmless while LASC was held responsible and required to pay debt – which has been occurring over the past year. I believe this is a case of equitability. Our systems, like LAMC's, have been corrected so as not to have this effect in the future. I am requesting that we also be held harmless for our over-reporting. I am also requesting that the total amount repaid to the district for this over-reporting be returned to the College for its operations, and the remainder of the debt related to the over-reporting be eliminated.

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## APPENDIX E

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2007/2008

Commitment Item 550000

Utilities

		<i>% of Budget</i>
LACC	1,257,743	2.00
ELAC	2,537,973	2.90
LAHC	726,571	2.20
LAMC	793,599	2.90
LAPC	1,690,376	2.80
<b>LASC</b>	<b>1,409,561</b>	<b>5.90</b>
LATTC	987,172	1.80
WLAC	1,037,314	3.20
<b>DISTRICT AVERAGE</b>		<b>2.88</b>

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## APPENDIX F

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XEROX COSTS

	Current state	Proposed state	Savings	% Savings
Cost per page contracts	7,745	128,448	(120,702)	( 1558% )
Equipment	197,661	101,702	95,959	49%
Maintenance	78,560	11,125	67,436	86%
Consumables	284,368	19,784	264,584	93%
Direct device costs	568,334	261,059	307,275	54%
Paper				
Operating costs	92,505	90,523	1,981	2%
Outsourced document production				
Other direct costs	92,505	90,523	1,981	2%
<b>Total direct costs</b>	<b>660,839</b>	<b>351,582</b>	<b>309,257</b>	<b>47%</b>

	Current	Proposed
<b>Savings</b>		
<b>Total Monthly Costs</b>	<b>\$44,264</b>	<b>\$25,636</b>
<b>\$18,628</b>		