

AGENDA ITEM

119 SEPTEMBER 13 2014

DATE: September 8, 2014

TO: Members, Board Committee on Operations
Members, Board of Trustees

FROM: John Chiappetta, Director of Budget and Performance Analysis

SUBJECT: Proposed Amendments to the 2014 Budget

EXECUTIVE SUMMARY

This agenda item requests two amendments to the adopted 2014-6 budget, both of which are aimed to bring the budget into conformity with the accounting treatment of the LA Facilities fund. First, it would transfer a portion of the maintenance reserves currently budgeted in the 180 Howard Street fund to the LA Facilities fund, along with corresponding budget authority. Second, it would move the budget for debt service on the 845 South Figueroa mortgage from the General Fund to the LA Facilities Fund in order to match the accounting treatment of these payments.

BACKGROUND

The Bar's facilities maintenance project reserves are currently held in the 180 Howard fund. (The legislation which created this fund allows it to be expended for Bar facilities anywhere in California, while the LA Facilities fund is restricted to southern California.) This agenda item would transfer \$0.7 million, along with corresponding budget, from the 180 Howard fund to the LA Facilities fund for miscellaneous building improvements subsequent to the January move-in.

The debt service for the State Bar's building in Los Angeles was originally budgeted in the General Fund. This item would relocate the budget for 845 South Figueroa debt service from the General Fund to the LA Facilities fund, to match the accounting treatment of these payments. This will have no effect on the distribution of these costs across the Bar's special funds.

FISCAL / PERSONNEL IMPACT:

This action would reduce the capital projects budget in the 180 Howard fund by \$0.7 million, authorize a transfer of this amount from the 180 Howard fund to the LA Facilities fund, and increase the capital projects budget in the LA Facilities fund by the same amount.

It would also create a debt service budget of \$2,301,620 in the LA Facilities fund. Because this action will not affect the ultimate allocation of these costs, no net change is needed in any other fund.

BOARD BOOK IMPACT:

None

RECOMMENDATION

Staff recommends that the Board Committee on Operations and the Board of Trustees authorize the budget amendment described above.

PROPOSED BOARD COMMITTEE RESOLUTION:

Should the Board Committee on Operations agree with the above recommendation, the following resolution would be appropriate:

RESOLVED, that the Board Committee on Operations recommends that the Board adopt the amendments the budget of the State Bar as presented to the Committee this day.

PROPOSED BOARD OF TRUSTEES RESOLUTION:

Should the Board concur with the Board Committee on Operations's recommendation, the following resolutions would be in order:

RESOLVED, that upon the recommendation of the Board Committee on Operations, the Board hereby adopts the amendments to the budget of the State Bar as presented to the Board this day.