



LONG BEACH  
CITY COLLEGE

# Overview

- Board Goals, Institutional Priorities & Strategic Plan Goals
- Resource Allocations: Goals & Priorities
- State Budget Overview
- BAC Planning Assumption Highlights
- FTES History and Projection
- List of All District Funds – Expenditures & Other Outgo

# Overview (continued)

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- Overall Summary
- Revenue Summary
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- Future Budget Challenges

# Board Goals, Institutional Priorities & Strategic Plan Goals

Adopted Budget 2022-23



# Board of Trustees Goals

adopted on August 24, 2022

- **Strategic Goal I: Innovate to Achieve Equitable Success**
  - Update and monitor the District's Strategic Plan to ensure equitable student success.
  - Monitor the implementation of the Enrollment Management Plan.
  - Oversee the recovery from the disruptions caused by the ongoing pandemic.
  - Monitor new federal and state legislation to ensure District compliance.
- **Strategic Goal II: Accelerate College Readiness and Close Equity Gaps**
  - Monitor strategies for improving college and career readiness and success of the District's diverse student population, including but not limited to, students of color, women, LGBTQ, veterans, disabled students, and disadvantaged and hard to reach communities.
  - Support measures that address barriers to educational success, including housing and food insecurity.
- **Strategic Goal III: Build Community**
  - Improve Board governance by maintaining a well-functioning Board and adhering to principles of effective Boardsmanship.
  - Cooperate and improve Board performance.
- **Strategic Goal IV: Invest in People and Support Structures for Transformation**
  - Support strategies that ensure the long-term fiscal health of the district, including strategies that improve access and affordability for all students.
  - Develop strong relationships that ensure the success of the Superintendent-President, the Board, and the District.



# Institutional Priorities

adopted March 24, 2022

(continued)

- D. Creating spaces of belonging and inclusivity for our disproportionately impacted and marginalized students through culturally responsive, anti-racist, and inclusive pedagogy and services.
- E. Supporting students with the resources they need to succeed, including through increased awarding of financial aid and scholarships, as well as through offering basic needs services.
- F. Attracting and retaining diverse workforce committed to anti-racism and equity-mindedness.
- G. Establishing and strengthening relationships with local community organizations.



# Institutional Priorities

adopted March 24, 2022

(continued)

- H. Utilizing lessons learned from the pandemic and embracing a new normal through:
  - i. Continuing to enhance emergency operations, improve the safety of campus facilities, and implement systems security.
  - ii. Cultivating a culture of care by supporting the wellness, safety, and health (mental and physical) of our employees and students, while also ensuring they feel welcomed, acknowledged, and understood.
  - iii. Continuing to invest in and support the expanded use of online and hybrid technology for instruction, service delivery, and workplace efficiencies.

# Strategic Plan Goals

adopted June 28, 2016

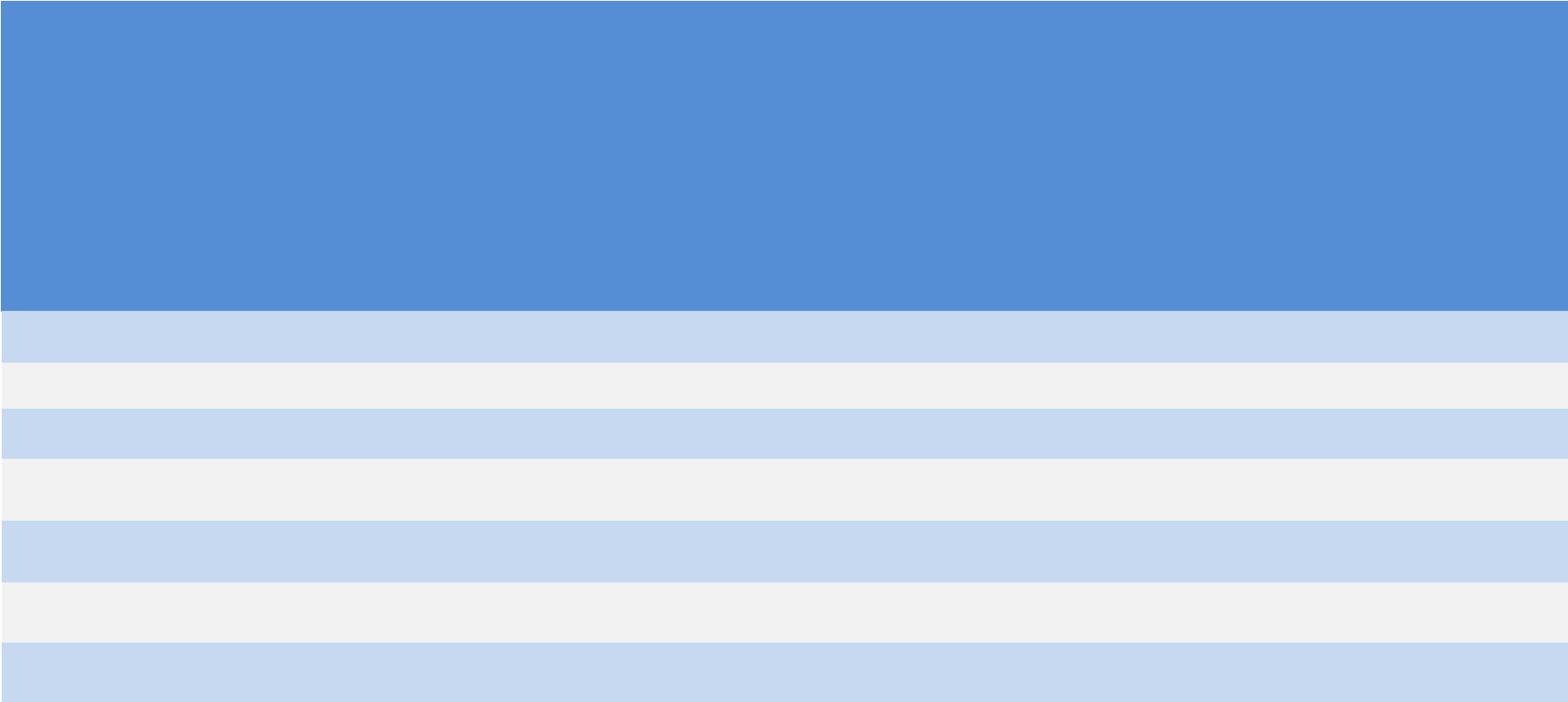
1. Innovate to achieve equitable student success
2. Accelerate college readiness and close equity gaps
3. Build community
4. Invest in people and support structures for transformation

(Included within Board Goals approved on April 28, 2021)





# Highlighted Resource Allocations: Goals & Priorities





# Highlighted Resource Allocations: Goals & Priorities

Faculty, Staff, and Infrastructure Supports	LBCC Institutional Priorities and Board Goals Related to Institutional Planning							
	I., II., IV. & A. Implement Guided Pathways Using Cross-functional Teams to Close Equity Gaps in Student Success	IV. & B. Maintain Fiscal Viability	I., II., IV. & C. Expand Outreach/ Invest in Infrastructure to Increase Student Enrollment and Persistence	I., II. & D. Create Spaces of Belonging				

# Highlighted Resource Allocations: Goals & Priorities



# State Budget Overview



# History of COLAs

Year	StatutoryCOLA	StateProvidedCOLA
2012/13	3.24%	0.00%
2013/14	1.57%	1.57%
2014/15	0.85%	0.85%
2015/16	1.02%	1.02%
2016/17	0.00%	0.00%
2017/18	1.56%	1.56%
2018/19	2.71%	2.71%
2019/20	3.26%	3.26%
2020/21	2.31%	0.00%
2021/22*	1.70%	5.07%
2022/23	6.56%	6.56%
2023/24**	5.38%	
2024/25**	4.02%	

\*2 Year compounded rate.

\*\*Projected per School Services of California (May 2022).

Provided below statutory COLA

Provided above statutory COLA

# State Budget Overview

- New document provided this year by the Chancellor's Office
- Available at [CCCCO.edu](http://CCCCO.edu), under College Finance & Facilities Planning/Budget News
- The 300 + page document provides allocations by district

# State Budget Overview

## Apportionment

- Student Centered Funding Formula (SCFF) 6.56% COLA - \$493.0 million
  - \$9.0 million for LBCC
- Base & Basic SCFF increase - \$600 million
  - \$4.2 million based on LBCC metrics & emergency conditions allowance
- 0.5% Growth funding - \$26.7 million
  - Not expected for LBCC
- Budgeted Deficit Factor
  - \$0.8 million (0.5%) estimate based on prior deficits
- Removed COLA for hold Harmless protection after 2024-25
- COVID Emergency protection extended to 2022-23
  - Uses the greater of 2019-20 or current year FTES
  - With new requirements for districts

# State Budget Overview

## Categorical Programs

- 6.56% COLA for categorical programs (DSPS, EOPS, CARE, CalWORKs, Child Care Tax Bailout, Mandated Cost Block Grant, and Adult Education - \$62.8 million
  - \$1.2 million for LBCC
- DSPS & EOPS increased support - \$50.0 million
  - \$1.0 million for LBCC
- Student Equity and Achievement (SEA) Program - \$25.0 million
  - \$400,000 estimated for LBCC

# State Budget Overview

- COVID-19 Recovery Block Grant -\$650 million
  - \$12.4 million estimated for LBCC
  - Includes reporting requirements

# State Budget Overview

- Deferred Maintenance and Instructional Equipment Block Grant - \$840 million
  - \$14.5 million for LBCC
  - Split evenly between the two programs
  - 3 years to encumber; 5 years to spend



# State Budget Overview

- \$403 million in Proposition 51 capital outlay projects – one-time



# BAC Budget Assumption Highlights

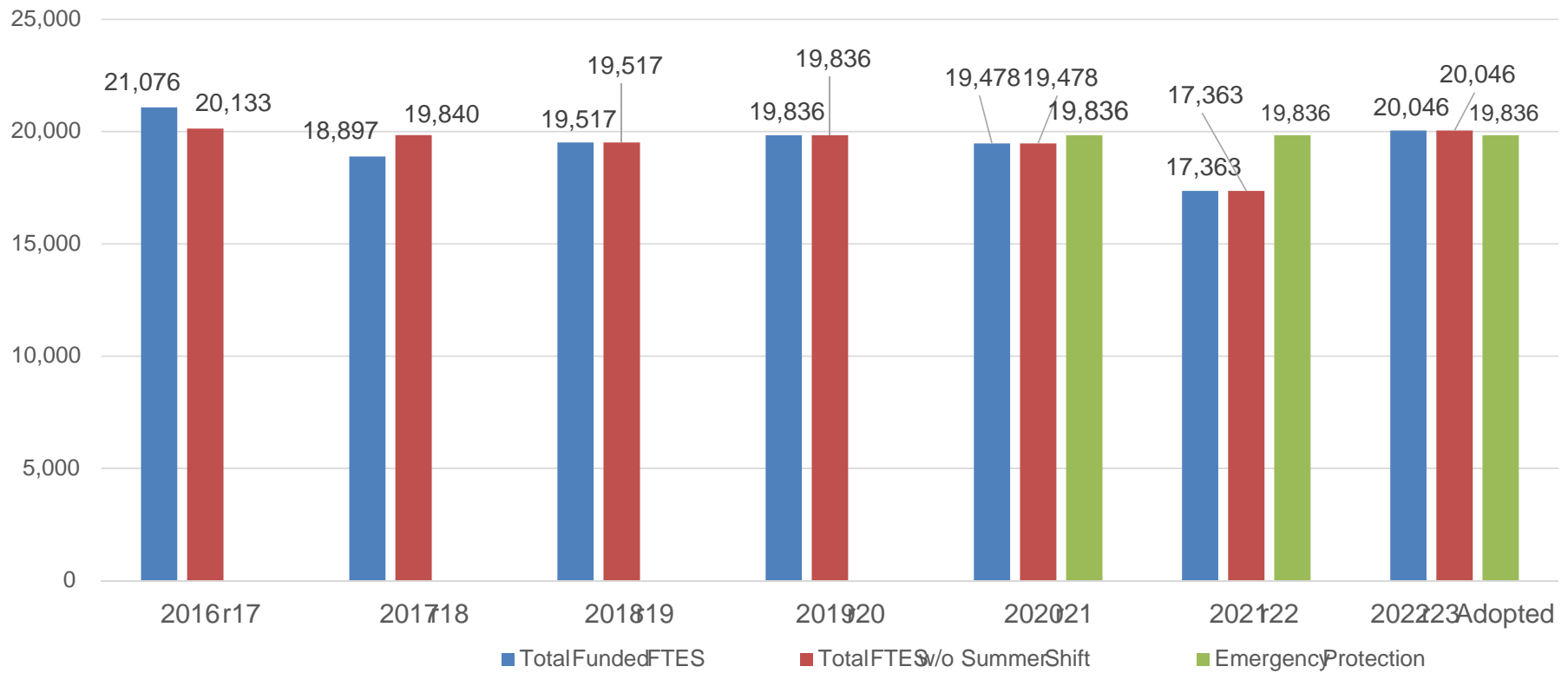
# BAC Budget Assumption Highlights

- There will be potential budget redirections in response to both the State's budget impact and the priorities as identified by the College Planning Committee (CPC).
- FTES total resident target is 20,046. However, because of a the recent multi-trend of declining enrollment, revenue projections are based on flat enrollment (the same level as 2021-22)
- A 0.5% deficit factor is budgeted based on past experience.
- Total Cost of Ownership – principles shall be employed in department planning and budgeting processes.

# BAC Budget Assumption Highlights

- Board Policy 6200 aligns with Chancellor's Office Recommended Goal of 16.67% reserves
  - Two months of Total General Fund operating expenses, equal to no less than 16.67% of Unrestricted General Fund expenditures
  - Aligned with Budgeting Best Practices published by the Government Finance Officers Association (GFOA).
  - Required to be Board Policy by February 2023 to maintain eligibility for final year of Emergency Conditions Allowance for funding based on higher 2019-20 FTES
- Load Banking and Vacation Liability Reserves – \$3.3 million
- Retiree Benefits Annual Required Contribution (ARC) – \$5 million
- Health & Welfare Premiums:
  - Increased by 1.1% - \$189,155

# FTES Comparison\*



\*Resident Full-Time Equivalent Students (FTES).

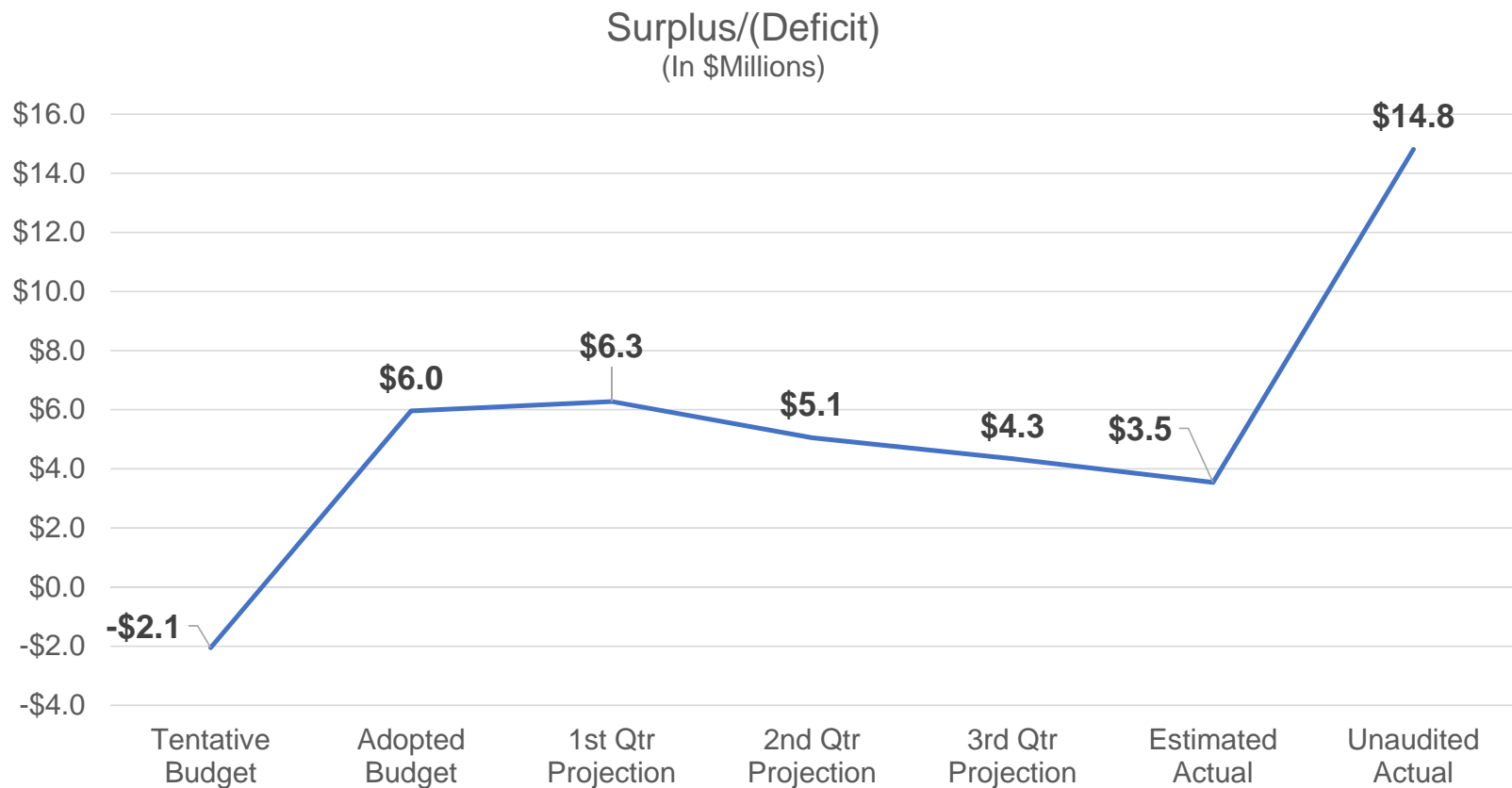
## 2022-23 List of Funds: Expenditures & Other Outgo (in millions)

	2021 22 Adopted Budget	2021 22 Unaudited Actual	2022 23 Adopted Budget
UnrestrictedGeneralFund	\$143.4	\$139.9	\$168.6
RestrictedGeneralFund	106.8	64.0	108.1
AssociatedStudentsBodyFund	1.2	0.7	1.3
CapitalProjectsFund	65.1	12.3	62.6
Child& Adult DevelopmentFund	2.2	2.2	2.6
Contract/CommunityEducationFund	1.2	0.1	1.5
EquityAwardFund	2.0	5.0	5.0
GeneralObligationBondFund2008MeasureE	128.0	0.0	128.0
GeneralObligationBondFund2016MeasureLB	654.0	45.5	609.4
RetireeHealthFund	3.9	2.7	3.9
SelfInsuranceFund	1.7	1.2	1.7
Student FinancialAid	88.3	73.6	63.0
StudentRepresentatiorFund	0.0	0.0	0.1
Vet StadiumOperations	1.3	1.1	2.0
Total	\$ 1,199.1	\$348.3	\$1,157.8





# Surplus/(Deficit) Changes Unrestricted General Fund 2021-22





# Causes for Major Budget Improvements UGF

Description	Amount (in millions)
Estimated Actual Surplus	<u>\$ 3.6</u>
Increased Revenues	5.8
Decreased Expenses	<u>5.4</u>
Total Improvements	<u>11.2</u>
Unaudited Actual Surplus	\$14.8

# Causes for \$11.2 million Major Budget Improvements: 2021-22 Revenue Improvements

- \$4.6 million increase in SCFF apportionment revenue.
  - Emergency Conditions Allowance: greater of 2019-20 or CY FTES
  - Deficit factor decreased from 3.35% to 0% at year-end
- \$0.4 million increase due to additional lottery revenue—2019-20 FTES
- \$0.8 million increase local revenue – mainly one-time reimbursement

**Ongoing: \$10.2 million**  
**One-time: \$1.0 million**

# Causes for \$11.2 million Major Budget Improvements: 2021-22 Expense Improvements

- (\$2.5) million decrease – salary benefit savings – vacancies, assignment changes
- (\$2.7) million decrease – operating and other expenses – purchases not completed in the fiscal year
- (\$0.2) decrease due to less BPR and one-time project expenses

**Ongoing: \$10.2 million**  
**One-time: \$1.0 million**

## Unrestricted General Fund: Revenue Summary

	Unaudited Actual 2021 r22	Tentative Budget 2022 r23	Adopted Budget 2022 r23	*Change Increase/ (Decrease)
Federal	\$ 188,844	\$ 140,000	\$ 140,000	\$ (48,844)
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# Major Revenue Changes in 2022-23

- Apportionment – \$20.8 million increase
  - \$17.2 million increase due to the 6.56% COLA & increase to SCFF
  - \$4.6 million increase due to the deficit factor decreasing from 3.35% in 2021-22 3<sup>rd</sup> quarter report to 0.50% for the Adopted Budget
  - (\$1.0) million decrease for prior year adjustments
- Other State Revenue - (\$0.1) million decrease
  - Decrease Lottery revenue due to prior year adjustment
- Local Revenue – (\$1.1) million decrease
  - Due mainly to one-time reimbursement received in 2021-22

# Impact of Emergency Conditions Allowance on Revenue

Fiscal Year	Apportionment Revenue (with allowance)	Apportionment Revenue (without allowance)	Increase
2021r22	\$84,468,030	\$74,769,246	\$9,698,784
2022r23 (estimated)	\$97,065,850	\$84,083,259	\$12,982,591





# Unrestricted General Fund Expenditure Summary

	Unaudited Actual 2021 r22			

# Major Expenditure Changes in 2022-23

- Academic Salaries – \$7.8 million increase
  - Step and column increases
  - Negotiated 6.56% salary increase
  - Includes 2 new Deans, 3 Directors/Head Coaches, Interim VP of Economic, Workforce Development & Government Affairs, PCC Assoc VP, and Director of Innovation
  - Hire 35 full-time teachers
  - 4 new full-time counselors and 1 new full-time librarian
- Classified Salaries – \$7.6 million increase
  - Step and column increases
  - Negotiated 6.56% salary increase
  - 4 new management positions, Executive Assistant, Compliance & Accessibility Analyst, and 2 new HR Analysts
  - 10+ new classified positions including Ceramics Lab Technician, Jewelry & Metalsmithing Lab Technician, and Science Lab Equipment Technician
  - Budgets for vacancies

# Major Expenditure Changes in 2022-23 (continued)

- Total Benefits – \$6.8 million increase
  - 2.46% increases for PERS & 2.18% increase for STRS
  - Increase to statutory benefits due to increased payroll
- Contract Services & Operating Expenses – \$3.2 million increase
  - Increase \$0.7 million for professional services, travel, and utilities
  - Budget \$0.5 for election costs (held every other year)
  - Increase \$0.6 million for district-wide online software licensing
  - Increase \$1.4 million for other services mostly for one-time reimbursement received in 2021-22

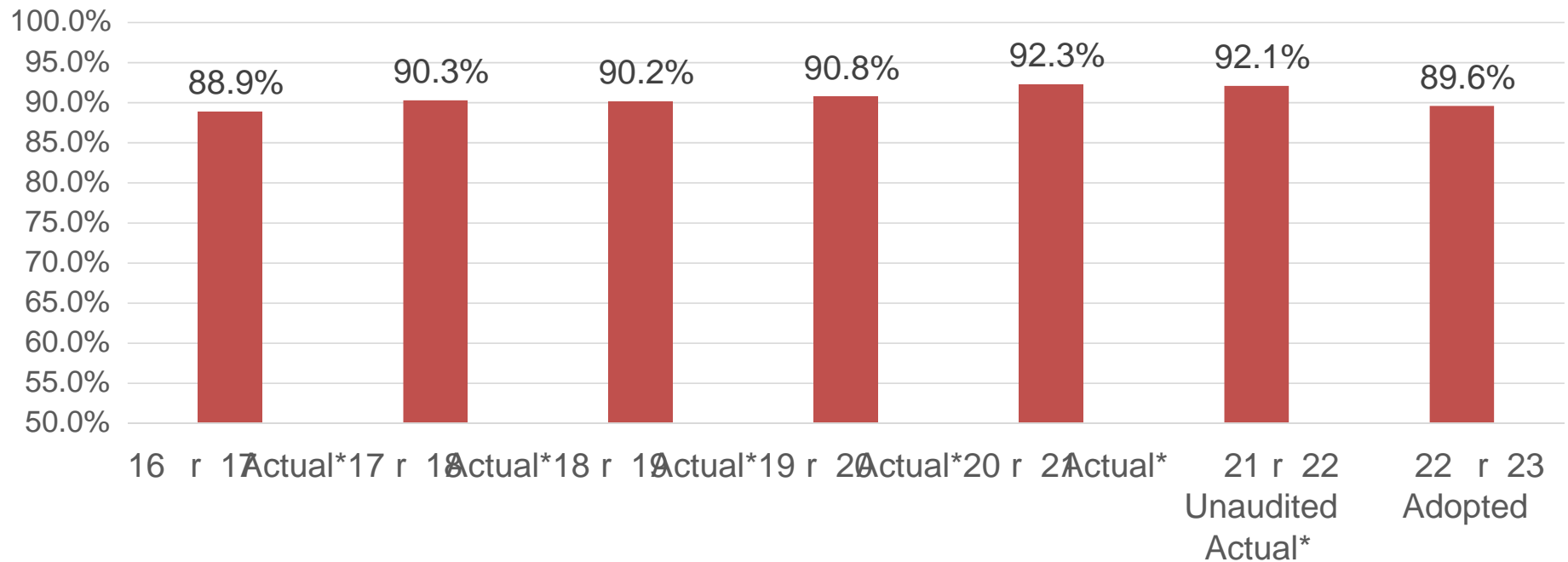


# Unrestricted General Fund Budgeted Expenditures & Other Outgo 2022-23





# Salaries & Benefits as a % of Total Expenses & Other Outgo





# Unrestricted General Fund Multi-Year Projection (in \$millions)

	Adopted Budget 2022 <del>23</del>	Projected 2023 <del>24</del>	Projected 2024 <del>25</del>
Projected Revenue			
Apportionment Revenue	159.0	167.6	174.4
Other Revenue	15.2	15.3	15.3
Total Available Funding	174.2	182.9	189.7
Projected Expenses			
Expenditure Base (Prior Year)	139.9	168.6	168.6
Adjustments to			

# COVID Grant Allocations\*

Institutional	\$ 63.7 million
Direct Student Aid	<u>41.2 million</u>
Total	\$104.9 million

Grants were awarded April 2020 through February 2021

\*Includes HEERF grants and \$2.1 million in federal and state block grants

# COVID Grants – Expenditures\*

## Institutional Initiatives

\$35.6 million

- Organized response for screeners & building monitors throughout the Pandemic



# Future Budget Challenges

- Enrollment Management:
  - Declining enrollment trends continue throughout the state
  - Causes include the favorable jobs market, COVID impacts, and transitioning in-person and on-line classes.
  - 2021-22 P-3, annual FTES down 10.9%.
  - Continue outreach, student engagement and marketing efforts
  - Efforts to re-engage students continue, including direct aid, removing drops for non-payment and student debt forgiveness.
- State Pension Obligations:
  - No one-time contributions in the State Budget to reduce PERS and STRS expenses as in prior years.
  - STRS and PERS 2022-23 rate increases are significant.

# STRS & PERS Future Employer Rates

Fiscal Year	STRS	PERS	Total
201516	10.73% 1,779,636	11.85% 128,984	1,908,620
201617	12.58% 1,270,151	13.89% 933,156	2,203,307
201718	14.43% 1,193,075	15.53% 839,116	2,032,191
201819	16.28% 834,704	18.06% 764,568	1,599,272
201920	17.10% 1,039,210	19.72% 1,058,278	2,097,488
202021	16.15% (218,810)	20.70% 592,670	373,860
202122	16.92% 361,533	22.91% 1,167,807	1,529,340
202223	19.10% 4,171,000		



# Future Budget Challenges

(continued)

- **Returning to Campus**
  - Great efforts were made to return to our campuses
  - New normal includes evaluating hybrid learning and work environments
  - Re-Opening Steering Committee - maintain the safety of students and employees as we work through the proper steps to provide the combination of online and in-person education that best serve our students
- **Economic Impacts**
  - Inflation – California consumer price index (CPI) 8.5% as of July 2022
  - Supply chain issues – especially for technology equipment, repair and construction materials



# Budget Meetings Schedule

- Board Budget Workshop – tentatively scheduled for February 2023
  - To include summary of the Governor’s January 2023-24 State Budget
- 2023-24 Tentative Budget – June 21, 2023 BOT meeting
  - June 30, 2023 deadline
- Public Hearing 2023-24 Budget – September 13, 2023 BOT meeting
- 2023-24 Adopted Budget – September 13, 2023 BOT meeting
  - September 15, 2023 deadline



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