



# **Tentative Budget 2013-14**

**Presented by:  
Ann-Marie Gabel  
Co-Chair  
Budget Advisory Committee**

**June 25, 2013**





# State Budget Overview

## (Governor's January Budget)

- \$196.9 Million (3.6%) apportionment- restoration (LBCC's share- \$3.4 million; 647 FTES)
- Zero COLA (0%)
- Student fees remain at \$46 per unit
- No restoration of 2009-10 categorical fund cuts
- Decreased deferrals by \$179.1 million to \$622.0 million - \$11.5 million deferrals for LBCC
- Redevelopment Agency Elimination
  - Hold harmless for related property tax shortages

# Board Goals

1. Support the Student Success agenda by:
  - f* Implementing the Educational Master Plan
    - f* Piloted multiple methods of placement of first-time students in English & math courses
    - f* Enrollment management strategies – foundational course pathways
    - f* Student-centered scheduling
    - f* Leveraging technology – to increase degrees & certificates
    - f* Equitable student access – supported especially at PCC
  - f* Implementing the Promise Pathways Program
    - f*

# Board Goals

(Continued)

2. Support the Career Technical Education Workforce Development and Economic Development agendas to strengthen the regional economy by:
  - f* Implementing and expanding programs to serve small business development
    - f* SBDC Satellite office opened in San Gabriel
    - f* Specialty Technology Center – LA Chamber of Commerce

Tentative Budget

2013-14

June 25, 2013

# Board Goals

(Continued)

*f* Implementing the Goldman Sachs 10,000 small businesses initiative

*f* Third year of program; will complete Cohort 8 August 2013

*f* Classes begin for Cohorts 9 & 10 fall 2013

*f* Organizing a local economic development summit

*f* Planning an economic forum for fall 2013

**3. Allocate resources in a manner that prioritizes these Board Goals**

Tentative Budget

2013-14

June 25, 2013

# BAC Planning Assumption Highlights

Tentative Budget

2013-14

June 25, 2013

- There will be budget redirections and potential reductions in response to both the State's budget impact and the priority as identified by the College Planning Committee (CPC)
  - Institutional Priority – improve rates of student success
- Deficit spending will be minimized
- Carryover will only exist for the Technology Master Plan.
- Zero (0%) COLA is budgeted
- 647 restoration FTES is budgeted. Target FTES is 20,400 (this will likely change)



# BAC Planning Assumption Highlights (Continued)

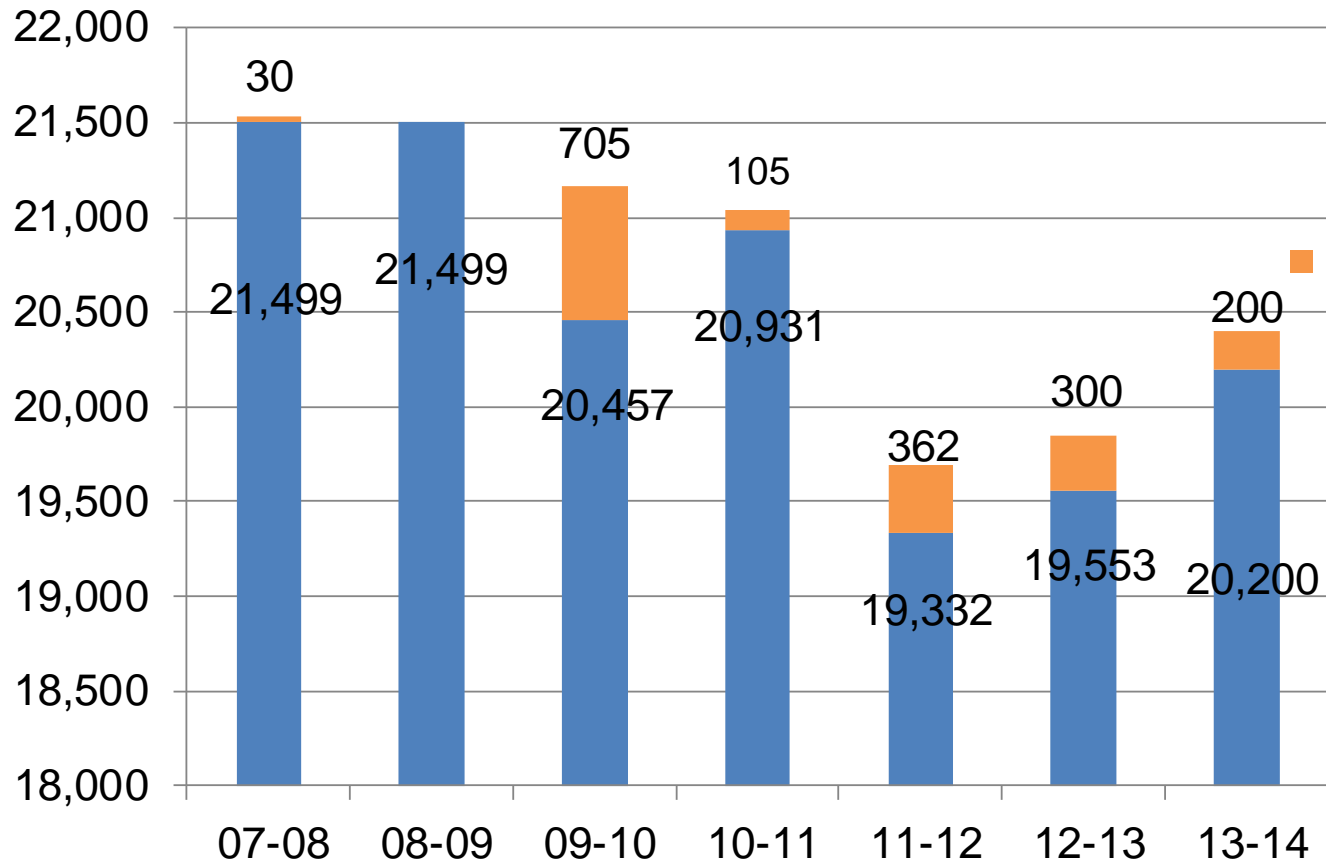
- A 1% deficit factor will be included to offset possible shortfall from apportionment revenues.
- Total Cost of Ownership – principles shall be employed in department planning and budgeting processes
- Maintain a 5.5% unrestricted reserve for contingencies
- Load Banking Reserve
  - Budgeted \$2.3 million reserve
- Vacation Liability Reserve
  - Budgeted \$525K reserve

Tentative Budget

2013-14

June 25, 2013





## List of Funds – Expenditures & Other Outgo (in millions)

	Adopted Budget 2012-13	Estimated Actual 2012-13	Tentative Budget 2013-14
Unrestricted General Fund	\$ 102.9	\$ 99.8	\$ 101.9
Restricted General Fund	19.0	19.2	18.5
Capital Projects Fund	1.6	1.2	0.9
Child & Adult Development Fund	1.4	1.4	1.6
Contract/Commun8 c 047.7Wucation Fund	1.0	0.6	0.9
General Obligation Bond Fund	456.5	195.4	223.6
Retiree Benefits Fund	2.4	2.5	2.7
SelfInsurance Fund	1.0	1.0	1.1
Student Financial Aid	75.9	64.3	64.2
Vet Stadium Operations	1.2	1.1	1.2
<b>Total</b>	<b>\$ 662.9</b>	<b>\$ 386.5</b>	<b>\$ 416.6</b>

Tentative Budget

2013-14

June 25, 2013

## Expenditure Reductions - \$3.1 Million

- Program discontinuance \$2,244,000
  - Faculty \$1,701,000 (15.00 FTE)
  - Classified \$355,000 (5.19 FTE)
  - Other (non-salary) \$188,000
- Reorganization savings \$297,000
  - Hourly counselors \$263,000
  - Management \$1,143,000 (5.25 FTE)
  - Classified (\$1,122,000) (+19.71 FTE)
  - Other (non-salary) \$13,000
- Hourly faculty account \$559,000

## Unrestricted General Fund Overall Summary

	Estimated Actual 2012-13	Tentative Budget 2013-14	Change Increase/ (Decrease)
Revenues and Other Financing Sources	\$97,875,612	\$105,042,914	\$ 7,167,302
Expenditures and Other Outgo	99,770,465	101,888,622	2,118,157
Surplus/(Deficit)	(1,894,853)	3,154,292	5,049,145
Fund Balance	\$ 12,946,063	\$ 16,100,355	\$ 3,154,292

## Unrestricted General Fund Revenue Summary

	Estimated Actual 2012-13	Tentative Budget 2013-14	Change Increase/ (Decrease)
Federal	\$ 146,000	\$ 146,000	\$ 0
Apportionment	89,993,876	97,517,488	7,523,612
Other State	3,765,213	3,828,997	63,784
Local	3,426,611	3,218,528	(208,083)
Other Sources	543,912	331,901	(212,011)
Total	\$97,875,612	\$105,042,914	\$ 7,167,302

## Major Revenue Changes in 2013-14

- **Apportionment** - \$7.5 million increase is the net of:
  - \$1.0 million increase in base apportionment
  - \$5.0 million due to the reduction of the deficit factor from 6.3% to 1.0%
  - \$1.9 million in increased restoration
  - (\$0.4) million decrease due to prior year apportionment recalc revenue in 2012-13 (deficit factor changed from 2.3% to 1.9%)

Tentative Budget

2013-14

June 25, 2013



# Unrestricted General Fund Expenditure Summary

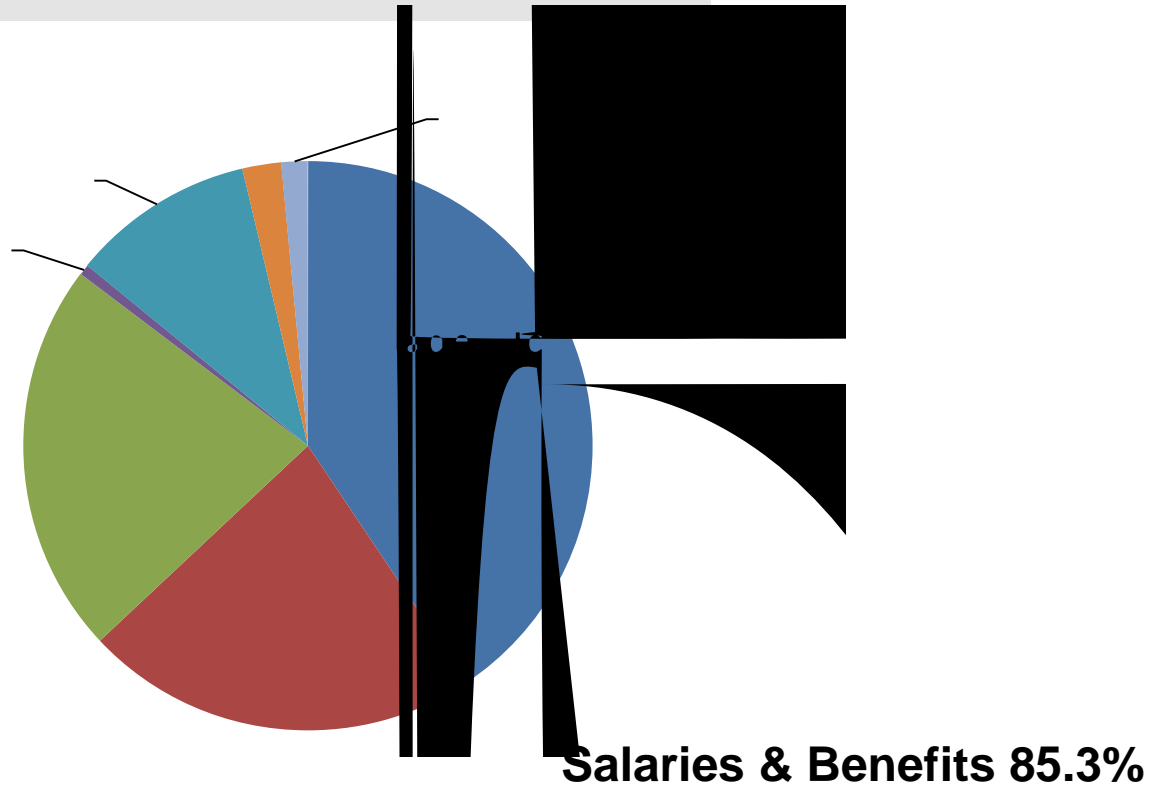
	Estimated Actual 2012-13	Tentative Budget 2013-14	Change Increase/ (Decrease)



# Major Expenditure Changes in 2013-14



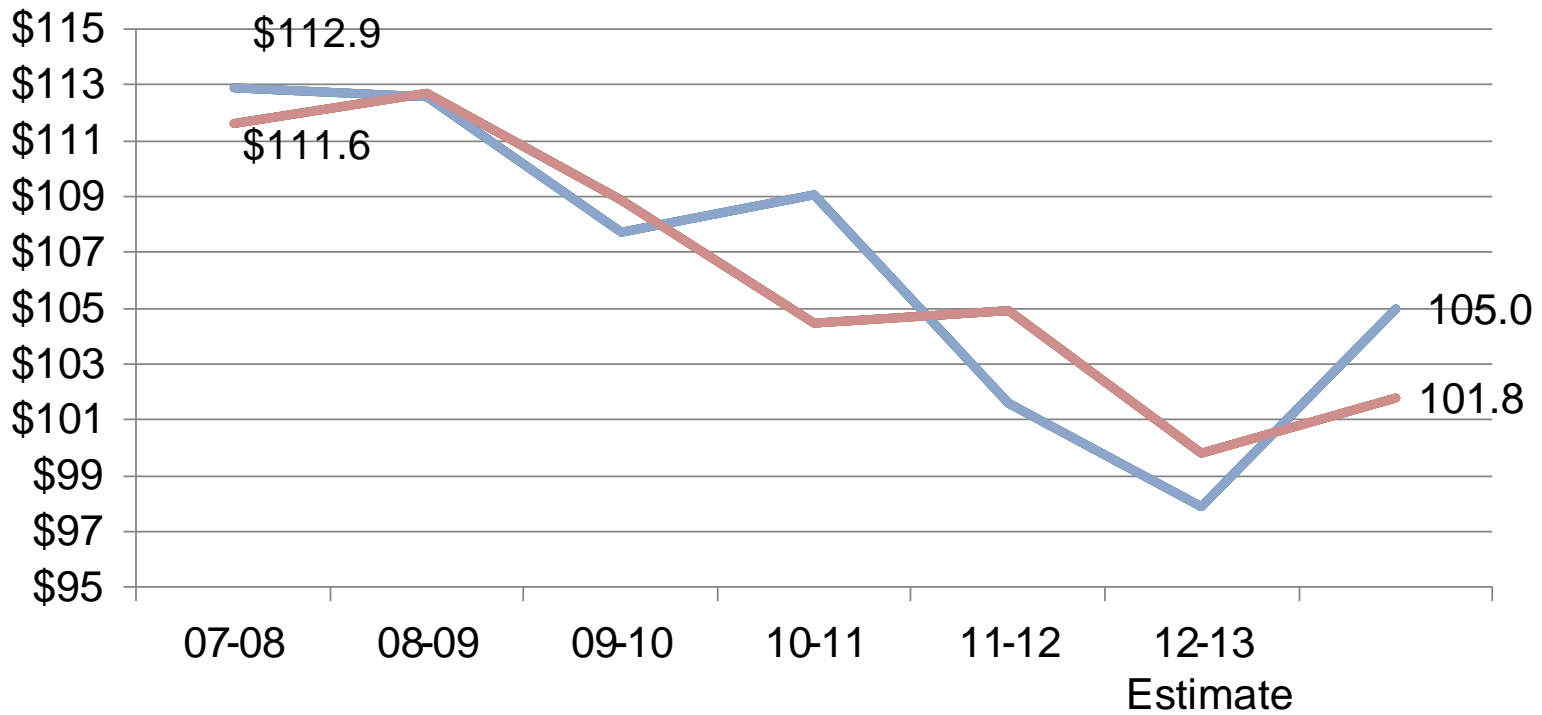
# Unrestricted General Fund Budgeted Expenditures 2013-14



# Unrestricted General Fund Reserves

	Tentative Budget
Unassigned Reserves	
Board Mandated Reserve 5.5%	\$ 5,603,874
Economic Uncertainties	7,626,839
Assigned Reserves	
Technology Master Plan	84,986
Vacation and Load Banking Reserve	2,784,656
Total	\$ 16,100,355

**Unrestricted** **und**  
7% (in millions)



# Unrestricted General Fund Two-Year Projection

	Tentative	

## Future Budget Challenges

- **Full-Time Faculty Obligation Number (FON)**
  - State compliance guidelines require a certain number of full-time faculty
  - Calculation is based on prior full-time faculty levels and growth rates
  -

Tentative Budget

2013-14

June 25, 2013



