



LONG BEACH  
CITY COLLEGE

# Tentative Budget 2023-24

Presented by:  
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Co-Chair  
Budget Advisory Committee

June 21, 2023

# 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)

- Unrestricted General Fund Details
- Overall Summary
- Revenue Summary
- Major Revenue Changes in 2022-23
- Expenditure Summary
- Major Expenditure Changes in 2022-23
- 7-Year Trends
- Future Budget Challenges

# **Board Goals, Institutional Priorities & Strategic Plan Goals**

Tentative Budget 2023-24

# Annual Planning Cycle

- Annual Planning begins each fall and culminates in the creation of institutional priorities each spring.
- All areas of the College engage in the annual planning process working toward measurable goals and activities aligned with the institutional priorities, 2022-2026 Strategic Plan, and the Vision for Success.
- New resource requests are identified through this process so that planning and budgeting are aligned.

# 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 Boardmanship.
  - 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 on March 23, 2023

In alignment with the California Community Colleges Chancellor's Office Vision for Success and Long Beach City College's Strategic Plan goals, the College will primarily focus on:

- A. Supporting the improvement of equitable course success rates, learning, and persistence.
  - i. Increase Transfer-level math and English course completion rates for first time, first-year degree seeking students
- B. Improving the efficiency of business processes and practices to support compliance, service delivery, and instruction.

# **Institutional Priorities**

**adopted March 23, 2023**

**(continued)**

- C. Providing continued support for campus safety initiatives.
- D. Increasing students' and employees' sense of belonging and mattering by actively creating an inclusive, caring, and anti-racist environment in all spaces (virtual and physical) on campus.
- E. Establishing and strengthening relationships and partnerships with community organizations, industry partners, and educational institutions.



# Strategic Plan Goals

## adopted for 2022-2026

1. Inclusive
  - i. By creating an inclusive, anti-racist, and welcoming environment, all students and employees will feel that their voices matter and that their identities are valued and re-affirmed.
2. Supportive
  - i. Through fostering a culture of care and collegiality, students and employees will feel supported, valued, and respected.
3. Innovative
  - i. Through implementing innovative approaches, LBCC will achieve equitable student outcomes, address emerging industry needs, and promote sustainability.
4. Synergy
  - i. By creating synergy between community, education, and local and regional industry, partnerships will be strengthened to support the equitable achievement of students' educational & career goals.

# Highlighted Resource Allocations: Goals & Priorities

Grants & Funding Allocations	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Strong Workforce	√			√	√
Adult Ed Regional Consortium	√			√	√
Title V Grant for DESTINO (STEM Initiative & Science Center)	√	√		√	
Student Equity Achievement Program	√	√		√	√
Goldman Sachs 10K Small Businesses				√	√
Small Business Development Center		√			√
COVID-19 Response Grants		√	√	√	

# Highlighted Resource Allocations: Goals & Priorities

Grants & Funding Allocations (Continued)	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
LGBTQ+ CCCC Allocation	√	√		√	
Equal Employment Opportunity (EEO) Best Practices				√	
Phoenix Scholars (Gang-Involved Student Supports)	√	√		√	√
Title V Grant for CASA Program	√	√		√	
Online Educational Resources CCCC Allocation	√	√			

# Highlighted Resource Allocations: Goals & Priorities

Student Success Initiatives	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
College Promise 2.0	√	√		√	
Viking Advantage	√	√		√	
Viking Summer Voyage	√	√		√	
Student-Centered Scheduling Improvements	√	√			
Student Success Teams	√	√		√	
Equitable Placement Implementation	√			√	
Cultural Curriculum Audit	√			√	

# Highlighted Resource Allocations: Goals & Priorities

Student Support Programs & Services	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Welcome Center	√	√		√	
Dreamer Supports	√	√		√	
Veterans Supports	√	√		√	
Early College Initiatives	√	√		√	
Mental Health Support for Students	√	√		√	
North Long Beach	√	√		√	√
Embedded Tutoring	√	√		√	
Starfish Early Alert	√	√		√	
Office of Basic Needs	√	√		√	
Social Justice & Intercultural Center	√	√		√	
Boys and Girls Club	√			√	√

# Highlighted Resource Allocations: Goals & Priorities

Faculty, Staff, and Infrastructure Supports	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Distance Learning Support	√	√		√	
Faculty Professional Development	√			√	
Noncredit Infrastructure	√	√		√	
Business Process Reviews	√	√		√	
Employee Professional Development	√		√	√	
Tableau Online Software	√	√		√	
Hiring Practices	√			√	

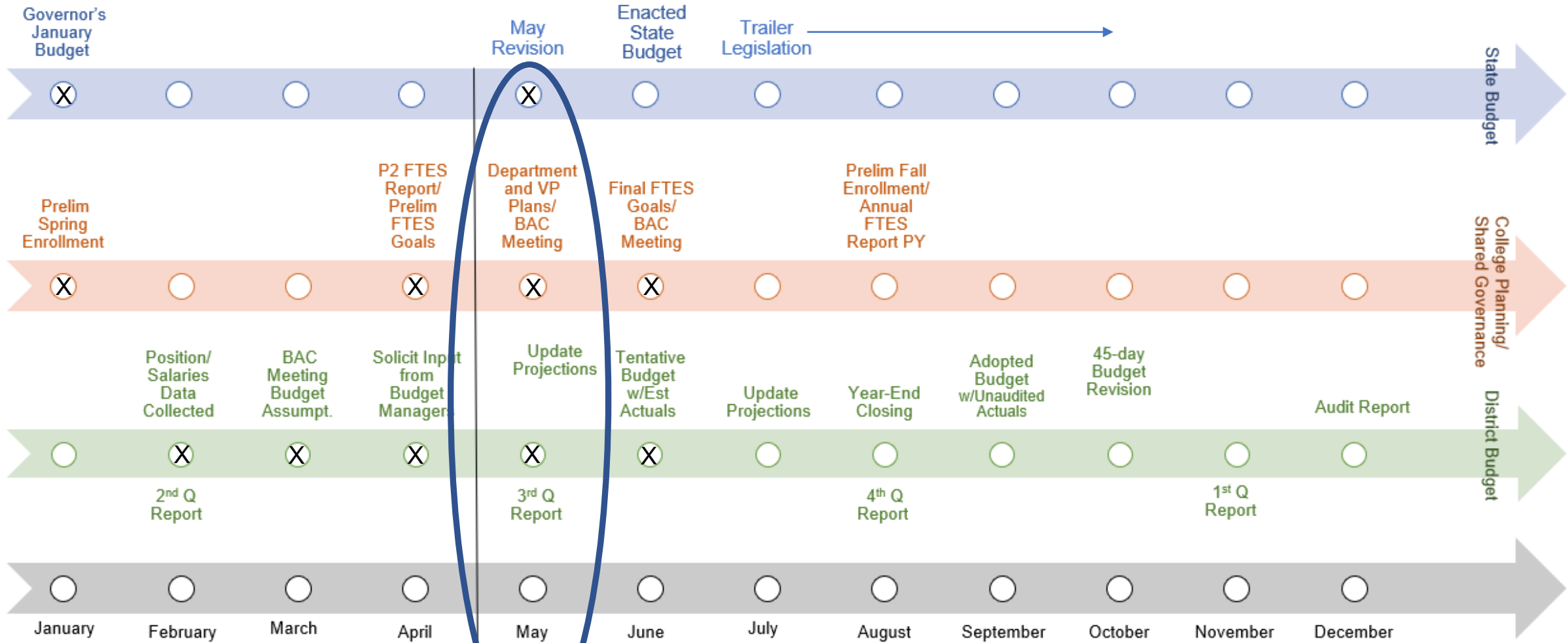
# Highlighted Resource Allocations: Goals & Priorities

Marketing & Community Outreach	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Community and High School Outreach				√	√
Marketing		√		√	√
Equitable Recruitment Efforts	√			√	√
Center for Community & Industry Partnerships	√			√	√

# State Budget Overview



# Budget Development Cycle



# History of COLAs

Year	Statutory COLA	State Provided COLA
2000-01	3.17%	4.17%
2001-02	3.87%	3.87%
2002-03	1.66%	2.00%
2003-04	1.86%	0.00%
2004-05	2.41%	2.41%
2005-06	4.23%	4.23%
2006-07	5.92%	5.92%
2007-08	4.53%	4.53%
2008-09	5.66%	0.00%
2009-10	5.02%	0.00%
2010-11	-0.38%	0.00%
2011-12	2.24%	0.00%
2012-13	3.24%	0.00%

Year	Statutory COLA	State Provided COLA
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%
2021-22*	1.70%	5.07%
2022-23	6.56%	6.56%
2023-24	8.22%	8.22%
2024-25**	3.54%	
2025-26**	3.31%	
2026-27**	3.23%	

\*2-Year compounded rate.

\*\*Projected per School Services of California (Jan 2023).

Provided below Statutory COLA

Provided above Statutory COLA

# State Budget Overview

## Apportionment

- Student Centered Funding Formula (SCFF) 8.22% COLA - \$678.0 million
  - *\$13.1 million for LBCC*
- 0.5% Growth funding - \$26.4 million
  - *Not expected for LBCC*

# State Budget Overview

## Categorical Programs

- 8.22% COLA + additional \$3 million for selected categorical programs (DSPS, EOPS, CARE, CalWORKs, Child Care Tax Bailout, Mandated Cost Block Grant, and Adult Education - \$95.3 million
  - *\$1.6 million for LBCC*
- Retention and Enrollment - \$100.0 million
  - *\$1.7 million for LBCC*
- Most other programs are unchanged in 2023-24

# State Budget Overview

## Prior Year Block Grant Reductions

- COVID-19 Recovery Block Grant -\$344.7 million reduction
  - *\$6.6 million reduction for LBCC*
- Deferred Maintenance and Instructional Equipment Block Grant - \$452.2 million reduction
  - *\$7.8 million reduction for LBCC*
  - *Split evenly between deferred maintenance and instructional equipment*

# State Budget Overview

## Capital Facilities (Lower than prior year)

- \$232.3 million in Proposition 51 & other capital outlay projects
  - one-time
    - 2 new and 12 ongoing statewide projects
    - Does not include LBCC projects
    - LBCC projects continue with funding from prior budgets

# State Budget Overview

## State Reserve Projected Balances

- Budget Stabilization Account (BSA, also known as the rainy-day fund) - \$22.3 billion
- Public School System Stabilization Account (PSSSA) - \$10.7 billion

# **BAC Budget Assumption Highlights**



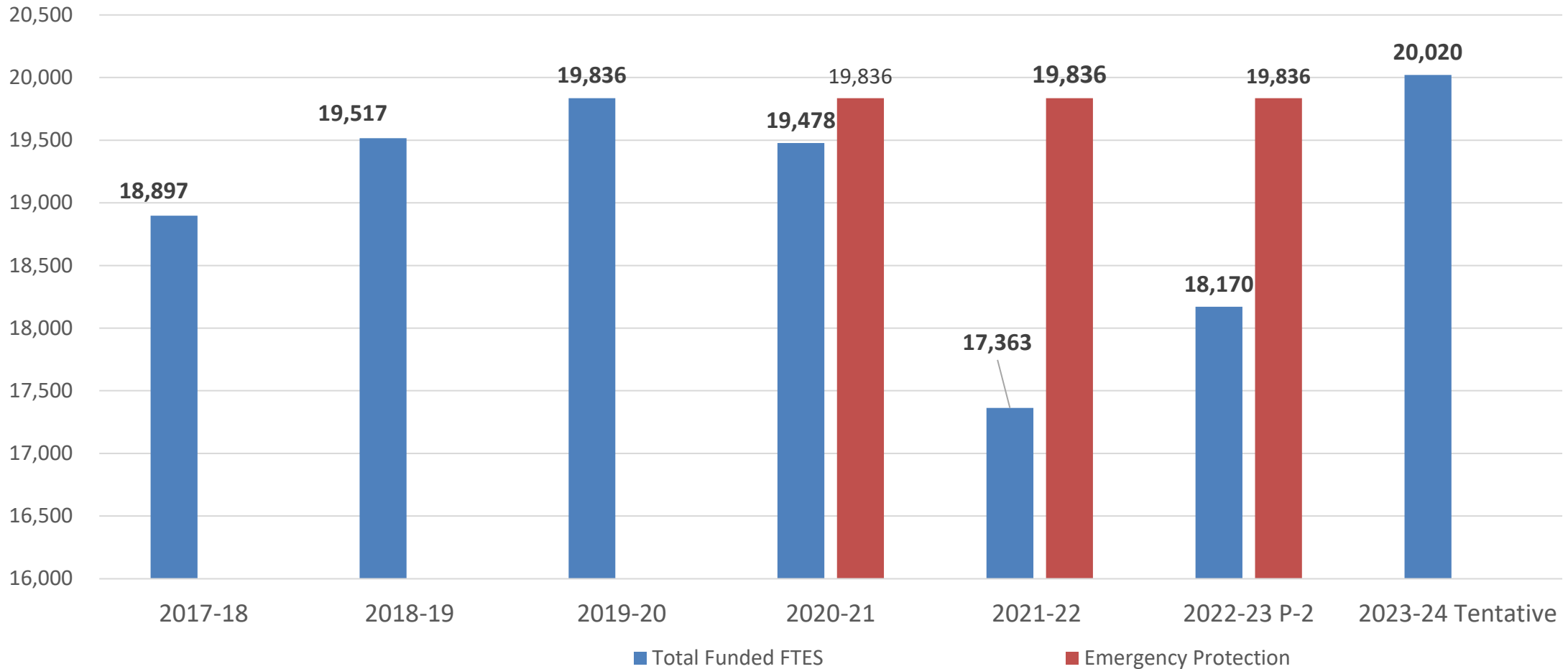
# BAC Budget Assumption Highlights

- 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 20,020. However, because of a the recent multi-trend of declining enrollment, revenue projections are based on flat enrollment (the same level as 2022-23)
- 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

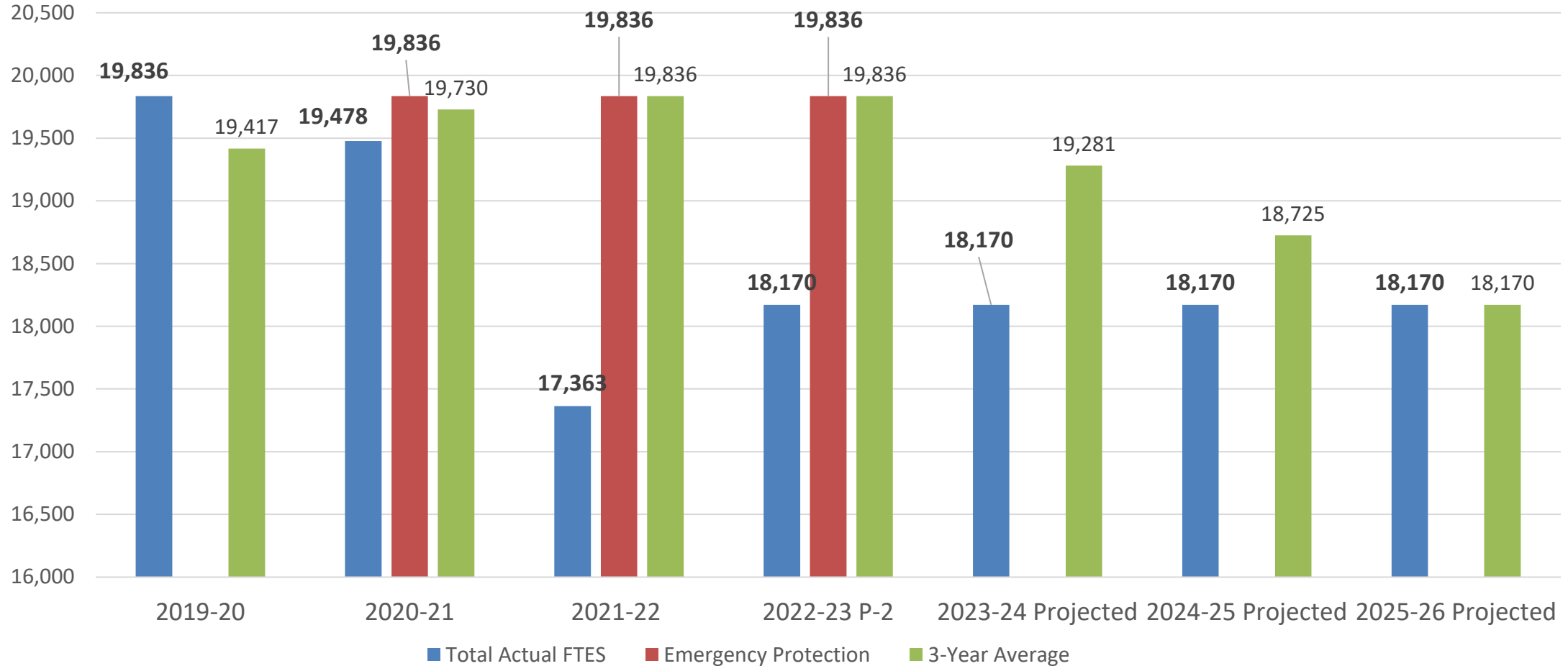
- Board Policy 6200 aligns with Chancellor's Office Recommended Goal of 16.67% reserves - \$29.2 million
  - Two months of Total General Fund operating expenses, equal to no less than 16.67% of Unrestricted General Fund expenditures
  - Aligned with Budgeting Best Practices published by the Government Finance Officers Association (GFOA).
- Load Banking and Vacation Liability Reserves – \$3.5 million
- Retiree Benefits Annual Required Contribution (ARC) – \$5 million
- Health & Welfare Premiums:
  - Increased by 9.0% - \$1.7 million

# FTES Comparison\*



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

# FTES Projection\*



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

# SCFF Apportionment Funding

- We are funded at the greater of:
  - A. SCFF calculated revenue** – based on metrics and funding rates
  - B. Prior year Stability** - SCFF calculated revenue + COLA.  
(Stabilization)
  - C. Hold Harmless** – minimum revenue commitment. Equals 2017-18 revenue + COLA up to 2024-25. No change after 2024-25.
- **Deficit Factor** - may be applied if state revenue is not adequate to cover SCFF calculated revenue for all districts.

# Base funding – Large College

- Basic allocation – funding based on college size
- Based on prior year total resident FTES
- > 20,000 FTES – funded as large college (+\$2 million)
- 10,000 – 20,000 – funded as medium college
- 3-year stability period is applied
- 17-18 large college based on prior year FTES
- 18-19 to 20-21 large college based on 3-year stability
- 21-22 to 22-23 large college based on emergency conditions
- 23-24 medium college funding - \$2 million less

## 2023-24 List of Funds: Expenditures & Other Outgo (in millions)

	2022-23 Adopted Budget	2022-23 Estimated Actual	2023-24 Tentative Budget
Unrestricted General Fund	\$ 168.6	\$ 168.6	\$ 175.5
Restricted General Fund	108.1	75.5	83.2
Associated Students Body Fund	1.3	1.0	1.3
Capital Projects Fund	62.6	19.3	45.2
Child & Adult Development Fund	2.6	2.8	3.1
Contract/Community Education Fund	1.5	0.1	1.5
Equity Award Fund	5.0	0.3	4.9
Event & Filming Services Fund	2.0	1.9	2.3
General Obligation Bond Fund 2008 Measure E	128.0	0.0	128.0
General Obligation Bond Fund 2016 Measure LB	609.4	18.7	595.5
Retiree Health Fund	3.9	2.4	3.9
Self-Insurance Fund	1.7	1.6	1.9
Student Financial Aid	63.0	68.1	65.6
Student Representation Fund	0.1	0.1	0.1
Total	\$ 1,157.8	\$ 360.4	\$ 1,112.0

# Unrestricted General Fund Overall Summary

	Estimated Actual 2022-23	Tentative Budget 2023-24	*Change Increase/ (Decrease)
Revenues and Other Financing Sources	\$177,359,204	\$185,574,711	\$8,215,507
Expenditures and Other Outgo	168,552,073	175,497,593	6,945,520
Surplus/(Deficit)	8,807,131	10,077,118	1,269,987
Fund Balance	70,587,213	80,664,331	10,077,118

\*Change is comparison between 2022-23 Estimated Actual and 2023-24 Tentative Budget.



# Tentative Budget - Not Yet Included

- Keep in mind, the Tentative Budget includes information known at the time it is prepared.
- It does not include key items such as:
  - Negotiated salary increases
  - Benefit increases (above those expenses currently known)
  - Other negotiated items with fiscal impact
  - Classification & compensation study
- As details are finalized, they will be included in the Adopted Budget

# Unrestricted General Fund: Revenue Summary

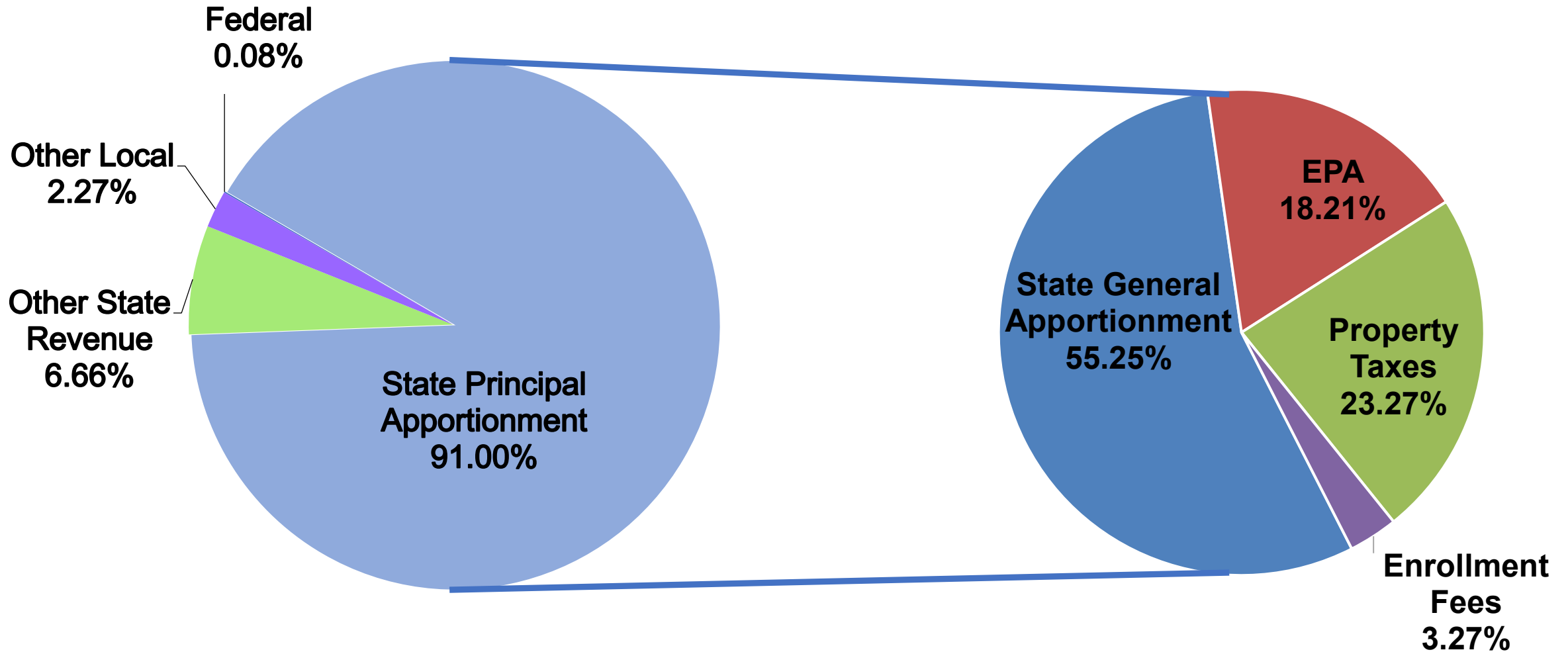
	Estimated Actual 2022-23	Tentative Budget 2023-24	*Change Increase/ (Decrease)
Federal	\$ 140,000	\$ 140,000	\$ 0
State Apportionment	158,997,655	168,870,727	9,873,072
Other State	12,730,059	12,357,347	(372,712)
Local	5,453,836	4,206,637	(1,247,199)
Other Sources	37,654	0	(37,654)
Total	\$177,359,204	\$185,574,711	\$8,215,507

\*Change is comparison between 2022-23 Estimated Actual and 2023-24 Tentative Budget.

# Major Revenue Changes in 2023-24

- Apportionment – \$9.9 million increase
  - \$13.1 million increase due to the 8.22% COLA & increase to SCFF
  - (\$0.9) million decrease due to the deficit factor increasing from 0% to 0.50%
  - (\$0.4) million decrease in prior year apportionment adjustments
  - (\$1.9) million decrease due to increased FON penalty
- Other State Revenue - (\$0.4) million decrease
  - Projected decrease Lottery revenue due to lower FTES
- Local Revenue – (\$1.2) million decrease
  - Due mainly to projected lower interest earning for 2023-24 from 2022-23

# Unrestricted General Fund Budgeted Revenue & Other Sources 2023-24



# Unrestricted General Fund Expenditure Summary

	Estimated Actual 2022-23	Tentative Budget 2023-24	*Change Increase/ (Decrease)
Academic Salaries	\$ 63,010,492	\$ 64,970,839	\$ 1,960,347
Classified Salaries	32,791,772	35,819,411	3,027,639
Benefits	49,181,390	51,246,921	2,065,531
Supplies	1,112,760	1,007,125	(115,635)
Services	13,628,727	16,060,542	2,431,815
Capital Outlay	2,158,934	3,147,384	988,450
One-Time	826,998	1,389,371	562,373
Other Outgo	5,831,000	1,856,000	(3,975,000)
Total	168,552,073	175,497,593	6,945,520

\*Change is comparison between 2022-23 Estimated Actual and 2023-24 Tentative Budget.

# Major Expenditure Changes in 2023-24

- Academic Salaries – \$2.0 million increase
  - Step and column increases
  - Includes Interim Director International Students & 50% Assoc Dean, Acad Success, Inclusion & Support Services
  - Hire 13 full-time teachers
  - 1 new full-time counselor and 1 new full-time librarian
- Classified Salaries – \$3.0 million increase
  - Step and column increases
  - 4+ new management/confidential positions, Manager-Campus Facilities, Manager-Compliance/Title IX Investigations, Director of Grants, 60% Director, Risk Management, and new HR Specialist
  - 9+ new classified positions including Certified Interpreter, 2 Sr. Administrative Assistants, Instructional & Universal Designer, Sr. Payroll Specialist, 2 Accountants, Buyer, 50% Buyer, and Vocational Instructional Technician
  - One-time funds for Limited Term Employees (HR Analyst & 2 HR Administrative Assistants)
  - Budgets for vacancies

# Major Expenditure Changes in 2023-24 (continued)

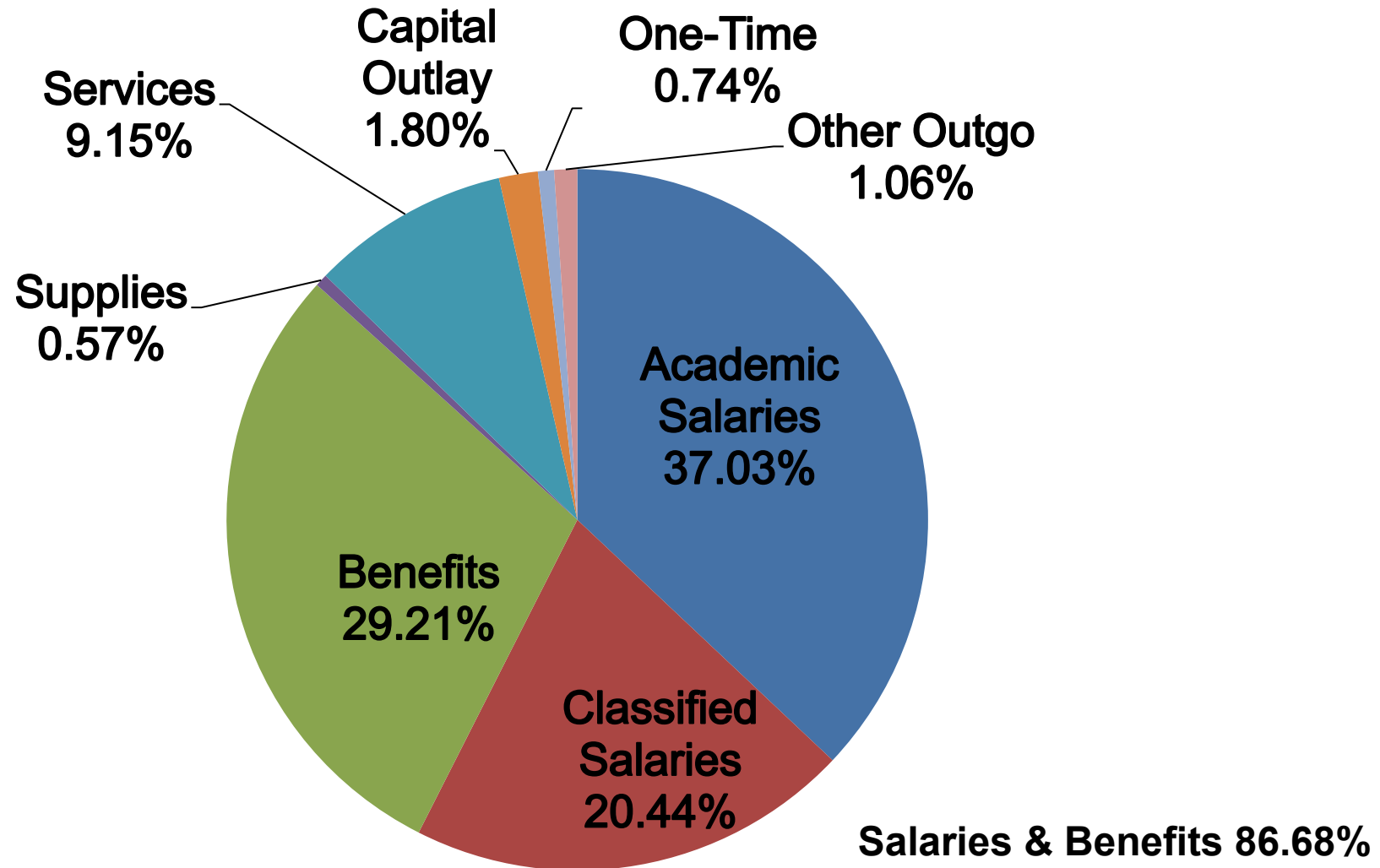
- Total Benefits – \$2.1 million increase
  - 1.31% increases for PERS
  - Increase to statutory benefits due to increased payroll
  - Less (\$0.7) million - paid off 2018 SERP
- Contract Services & Operating Expenses – \$2.4 million increase
  - Increase \$2.0 million due to less indirect costs
  - (\$0.4) million saving from election (held every other year)
  - (\$0.2) million saving in legal fees
  - Increase \$1.0 million for other services mostly for one-time reimbursement received in 2021-22

# Major Expenditure Changes in 2023-24 (continued)

- Capital Outlay – \$1.0 million increase
  - One-time fund carried over from 2022-23 for equipment installation, office space and sanitary napkin dispensers & product refills
- One-Time Funds – \$0.6 million increase
  - Plans to complete projects delayed by the campus shutdown and resulting focus on transitioning to remote work and learning
- Other Outgo – (\$4.0) million decrease
  - Transfer \$520,000 to the Restricted General Fund for the Student Health Services program to help serve additional student health needs
  - Less (\$4.0) million one-time fund for infrastructure upgrades in 2022-23



# Unrestricted General Fund Budgeted Expenditures & Other Outgo 2023-24

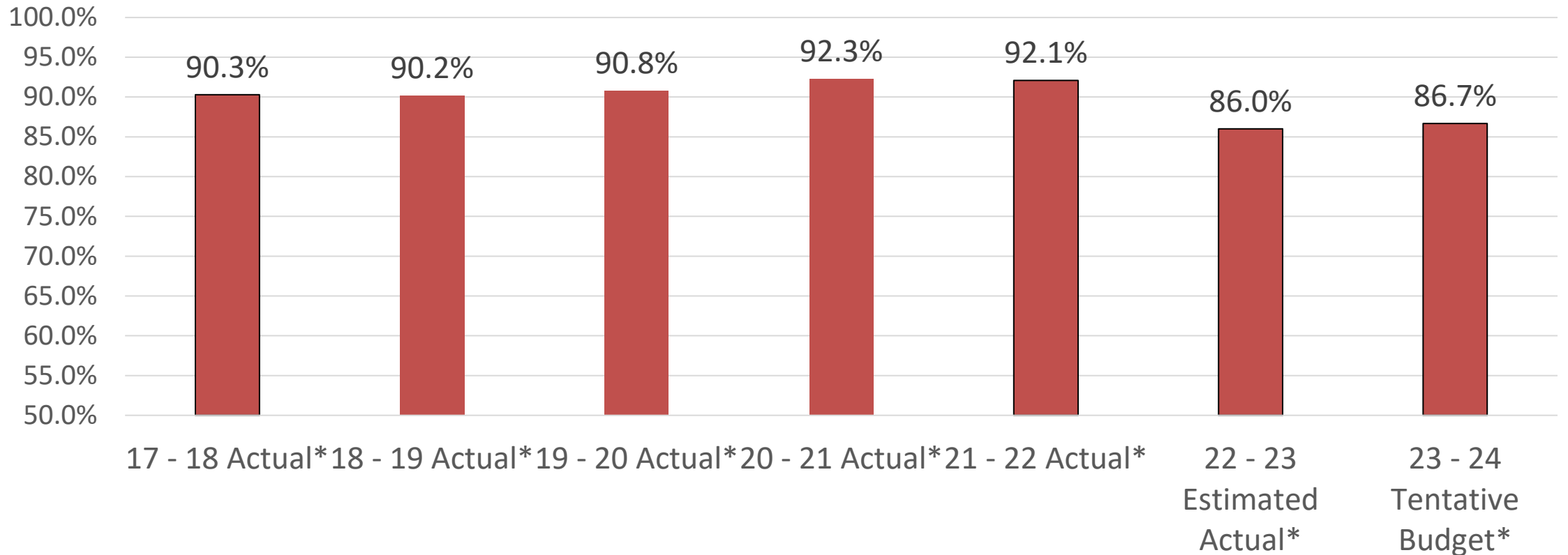


# Unrestricted General Fund 7-Year Trend Summary (in \$ millions)

	17-18 Actual	18-19 Actual	19-20 Actual	20-21 Actual	21-22 Actual	22-23 Estimated Actual	23-24 Tentative Budget
Salaries & Benefits as a % of Total Expenses & Other Outgo	90.3%*	90.2%*	90.8%*	92.3%*	92.1%*	86.0%*	86.68%*
Surplus / (Deficit)	(\$0.3)	\$6.0	\$3.0	\$7.7	\$14.8	\$8.8	\$10.1
Ending Balance	\$30.2	\$36.2	\$39.2	\$46.9	\$61.7	\$70.5	\$80.7
Ending Balance as a % of Total Expenses & Other Outgo	22.9%	27.5%	28.3%	34.3%	44.2%	41.9%	46.0%

\*Percentage of Total Expenses and Other Outgo including one-time expenses.

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



\*Percentage of Total Expenses and Other Outgo including one-time expenses.

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

	Tentative Budget 2023-24	Projected 2024-25	Projected 2025-26
Projected Revenue			
Apportionment Revenue	171.5	172.6	175.6
Other Revenue	14.1	15.3	15.3
Total Available Funding	185.6	187.9	190.9
Projected Expenses			
Expenditure Base (Prior Year)	168.6	175.5	178.5
Adjustments to Operations	(0.1)	(0.5)	(0.2)
Adjustments to Compensation/Benefits	7.0	3.4	3.2
Total Projected Expenses	175.5	178.4	181.5
Projected Surplus/ (Deficit)	10.1	9.5	9.4
Projected Ending Fund Balance	80.6	90.1	99.5
% of Expenses	45.9%	50.5%	54.8%

# 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.
  - 2022-23 P-2, FTES is up 4.6%, but still below pre-pandemic levels.
  - Continue outreach, student engagement and marketing efforts
- State Pension Obligations:
  - STRS unchanged and PERS 2023-24 rate increases 1.31% on top of already high rates.

# STRS & PERS Future Employer Rates

Fiscal Year	STRS		PERS		Total
2016-17	12.58%	1,270,151	13.89%	933,156	2,203,307
2017-18	14.43%	1,193,075	15.53%	839,116	2,032,191
2018-19	16.28%	834,704	18.06%	764,568	1,599,272
2019-20	17.10%	1,039,210	19.72%	1,058,278	2,097,488
2020-21	16.15%	(218,810)	20.70%	592,670	373,860
2021-22	16.92%	361,533	22.91%	1,167,807	1,529,340
2022-23	19.10%	1,711,000	25.37%	1,918,000	3,629,000
<b>2023-24</b>	<b>19.10%</b>	<b>179,000</b>	<b>26.68%</b>	<b>939,000</b>	<b>1,118,000</b>
2024-25	19.10%	-	27.70%	453,000	453,000
2025-26	19.10%	-	28.30%	267,000	267,000
Total		\$ 6,369,863		\$ 8,932,595	\$ 15,302,458

Rates are as of May 2024 and are subject to change for future years. Employer contribution increase estimates are based on total covered salary estimates from the 2023-24 Tentative Budget.

# Future Budget Challenges (continued)

- COVID Funding
  - Combined funding from HEERF I, II & III and state aid exceed \$100 million in a three-year period
  - Managed federal compliance requirements
  - Prioritizing remaining allocations as funds wind down
  - Challenge moving forward is continuing the needed support and safety with other funds.

# Future Budget Challenges (continued)

- Potential Recession
  - May Revise Budget does not plan for a recession.
  - So, if one occurs in 2023-24, mid-year cuts or impact to next year's budget may occur.
  - Income tax payments were delayed until October. If that revenue comes in lower than projected, additional cuts could become necessary.



# Future Budget Challenges (continued)

- Apportionment Funding
  - LBCC has benefited from several allowances that are built into the Student Centered Funding Formula (SCFF) including the hold harmless, stability and emergency conditions allowances.
  - Emergency conditions allowance (ECA) ends June 30, 2023
  - Need to prepare for apportionment revenue declines
  - Lower base funding for college size (change from large to medium size college)
  - Lower actual FTES metrics.
  - Due to the stability and three-year averaging features of the SCFF, these declines will be spread over three years.



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# QUESTIONS & ANSWERS

